

GROUP EXHIBIT F

GROUP EXHIBIT F-1



CNA PARAMOUNT

New Business

Effective Date: 12/23/2017**Insured Name:**

SOILS ENGINEERING SERVICES, INC.

12A MAPLE AVE

PINE BROOK, NJ 07058-9837

Policy Number: 6056872807**Policy Period:** 12/23/2017 – 12/23/2018**Producer's Information:**SCHINNERER & CO., INC. VICTOR O.
TWO WISCONSIN CIRCLE**Producer Code:** 028570CHEVY CHASE, MD 20815
(301)961-9800**CNA Branch Number:** 886**CNA Branch Name and Address:**DESIGN ONE CENTER
TWO WISCONSIN CIRCLECHEVY CHASE, MD 20815
() -**Thank you for choosing CNA!**

With your CNA Paramount package policy, you have insurance coverage tailored to meet the needs of your modern business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services — There When You Need Us

Claims are reported through a single point of entry available 24/7, connecting you to the individuals and information to help you resume your business when you need it most.

To report a claim, please call (877) CNA-ASAP, fax (800) 953-7389, email lossreport@cnaasap.com, or visit www.cna.com/claim.

Risk Control Services — Help Avoid A Claim Before It Occurs

As a CNA policyholder, you have access to certified risk control professionals, risk mitigation programs and online resources to help identify and manage exposures that may disrupt your operation. We collaborate with business leaders to develop customized programs to assist you in safeguarding your assets and improving the bottom line.

To learn how our award-winning Risk Control services can help your business, please call (866) 262-0540, email us at riskcontrolwebinfo@cna.com or visit www.cna.com/riskcontrol.

When it comes to providing the coverage, service and resources paramount to your business success ... **we can show you more.**





CNA PARAMOUNT

Policy Holder Notice – Countrywide

IMPORTANT INFORMATION

NOTICE – OFFER OF TERRORISM COVERAGE NOTICE – DISCLOSURE OF PREMIUM

Solely with respect to the following **coverage parts**:

Business Property
Inland Marine

General Liability
Employee Benefits Liability

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

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**CNA PARAMOUNT****Policy Holder Notice – Countrywide**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Calendar year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Calendar year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.



CNA PARAMOUNT

Policy Holder Notice – New Jersey PLIGA

IMPORTANT INFORMATION

"PLIGA" SURCHARGE FOR OUR NEW JERSEY COMMERCIAL LINES POLICYHOLDERS

Your policy premium includes a New Jersey Property – Liability Insurance Guaranty Association (PLIGA) surcharge. PLIGA protects consumers from insurance company insolvencies. The cost of this guaranty fund is assessed to all insurance companies in New Jersey; and in compliance with Department of Insurance Order No. A14-109, it is passed along to individual consumers via this surcharge.

The surcharge is 0.60% of your premium for all property/liability coverage except for life insurance, accident and health insurance, workers' compensation insurance, title insurance, annuities, surety bonds, credit insurance, mortgage guaranty insurance, municipal bond coverage, fidelity insurance, investment return assurance, ocean marine insurance, and pet health insurance.

For purposes of this surcharge and in compliance with New Jersey Insurance Department Regulation N.J.S.A. 17:30A-8a (3), the declarations page of this policy is the "premium bill."

If you have questions about the New Jersey – Liability Insurance Guaranty Association or this surcharge, please contact your independent CNA agent.

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**CNA PARAMOUNT****Policy Holder Notice – Countrywide**

IMPORTANT INFORMATION

PREVENT UNEXPECTED PREMIUM CHARGES AT FINAL AUDIT

GENERAL LIABILITY LIMITS WE REQUIRE FOR SUBCONTRACTORS YOU HIRE

Please read this IMPORTANT INFORMATION notice carefully if you hire subcontractors to perform work for you.

Your General Liability insurance premiums may increase substantially at final audit if your subcontractors do not carry the minimum General Liability insurance limits we require as defined below.

To prevent your General Liability insurance premiums from increasing at final audit, your subcontractors must carry a General Liability policy which is written on an occurrence basis and which provides Limits of Insurance as follows:

- \$ 1,000,000 Any One Occurrence (Coverage A)
- 1,000,000 Any One Person or Organization (Coverage B)
- 1,000,000 Products/Completed Operations Aggregate
- 1,000,000 General Aggregate

In certain exception cases, higher Limits of Insurance than those specified above may be required. Your agent will be notified of these exception cases in writing when they exist.

How This Requirement Can Affect Your General Liability Premium at Final Audit

At final premium audit, we will ask you to provide us with Certificates of Insurance for all subcontractors who worked for you during the policy period, to confirm that they carried the General Liability limits of insurance we require, as stated above.

Work you subcontract to other contractors whose General Liability limits of insurance meet the requirements shown above, will be rated on a subcontract cost basis, which is significantly less expensive for you than treating these subcontract costs as ratable payroll (as described below).

Any subcontractor of yours who carries General Liability limits of insurance less than those stated above, and any of your subcontractors for whom we are not provided Certificates of Insurance will be treated as your employees for rating purposes. The associated subcontract costs will be treated as ratable payroll on your policy resulting in an additional premium charge at final audit.

Prevent Unexpected Premium Charges at Final Audit:

Require Evidence Of \$1,000,000 General Liability Limits From All Of Your Subcontractors

To avoid additional premium charges at final audit caused by your subcontract costs being treated as ratable payroll, and to reduce the risk of your General Liability insurance being tapped to cover claims arising out of your subcontractor's work, we urge you to obtain Certificates of Insurance from your subcontractors, prior to their beginning work, evidencing the General Liability limits of insurance stated above. In addition to providing coverage information for their General Liability insurance, these Certificates of Insurance should also provide coverage information for your subcontractor's Automobile, Worker's Compensation, and Umbrella insurance.

Please contact your agent if you have any questions regarding these requirements or if you would like help in determining the adequacy of the insurance carried by any of your subcontractors.

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**CNA PARAMOUNT**

Policy Holder Notice – Countrywide – Premium Basis Used on Liability Schedules

Premium Basis Used on Liability Schedules

This policy includes one or more Liability coverages with associated Schedules of locations, coverages or classifications. When such Schedules display an Exposure amount used to calculate premium, the Exposure amount is often followed by an abbreviation that denotes what the Exposure amount represents (Payroll, Gross Sales, Area, etc.). Such abbreviations are described below.

| | | | |
|---------------------------|--|-----------------------------|--|
| A = Area | (Per 1,000 Sq. ft.) | GL = Gallons | (Per 1,000 Gallons) |
| AC = Acres | (Each) | GS = Grandstands/Bleacher | (Each) |
| AD = Activity Days | (Each) | H = Number of Golf Holes | (Each) |
| AN = Animals | (Each) | HO = Hoists | (Each) |
| AP = Airports | (Each) | HQ = Headquarters | (Each) |
| AT = Attendants | (Each) | K = Kennels | (Each) |
| AU = Audited Premium | (Last Year of Manufacture - %) | L = Limit | (Limit of Insurance for Coverage) |
| B = Bodies | (Each) | LD = Locations Days | (Each) |
| BA = Bales | (Per 1,000 Bales) | LE = Lessees | (Each) |
| BD = Beds | (Each) | LO = Locations | (Each) |
| BE = Beaches | (Each) | LR = Lakes/Reservoirs | (Each) |
| BO = Boats | (Each) | LW = Lawyers | (Each) |
| C = Total Cost | (Per \$1,000 of Total Cost) | M = Admissions | (Per 1,000 Admissions) |
| CD = Camper Days | (Each Camper Day) | ME = Members | (Each) |
| CN = Contestants | (Each) | MH = Model Homes | (Each) |
| CU = Convention Days | (Each) | MI = Miles | (Each) |
| CW = Cost of Work | (Per \$1,000 of Total Cost of Work) | NB = Newsboys | (Each) |
| DB = Drawbridges | (Each) | O = Operators | (Each) |
| DM = Dams | (Each) | OE = Operating Expenditures | (Per \$1,000 of Operating Expenditures) |
| DW = Dwellings | (Each) | P = Payroll | (Per \$1,000 of Payroll) |
| E = Each | (Per Entity Described) | PD = Passenger Days | (Per 1,000 Passenger Days) |
| EM = Employees | (Each) | PG = Picnic Grounds | (Each) |
| ES = Solar Energy Systems | (Each) | PP = Parks/Playgrounds | (Each) |
| ET = Turbines | (Each) | PR = Parades | (Each) |
| EX = Exhibitions | (Each) | PS = Persons | (Each) |
| F = Flat Charge | (Flat Premium Charge) | PU = Pupils | (Each) |
| FG = Fairgrounds | (Each) | R = Receipts | (Per \$1,000 of Receipts) |
| FM = Faculty Members | (Each) | RG = Registrants | (Each) |
| FP = Fishing Piers | (Each) | RN = Range | (Each) |
| G = Graduates | (Each) | RV = Revenue | (Per \$1,000 of Revenue) |
| GA = Games | (Each) | | |

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**CNA PARAMOUNT**

Policy Holder Notice – Countrywide – Premium Basis Used on Liability Schedules

| | | | |
|-----------------------|---|----------------------|---|
| S = Gross Sales | (Per \$1,000 of Gross Sales) | SP = Swimming Pools | (Each) |
| SA = Classification | (Total Class Specific Premium - %) | ST = Stations | (Each) |
| SB = Sub 336 Premium | (Products & Completed Operations Premium - %) | SU = Sub 334 Premium | (Premises & Operations Premium - %) |
| SC = Scouts | (Each) | TE = Teams | (Each) |
| SD = Students | (Each) | TO = Towers | (Each) |
| SE = Seats | (Each) | U = Unit | (Per Dwelling Unit) |
| SG = Total GL Premium | (General Liability Premium - %) | VE = Vehicles | (Per 1,000 Vehicles) |
| SH = Shows | (Each) | VO = Volunteers | (Each) |
| SL = 334/336 Premium | (Premises & Operations and Products & Completed Operations Premium - %) | WC = WC Premium | (Per 1,000 of Workers' Compensation Premium) |
| | | Z = Zoos | (Each) |



CNA PARAMOUNT

Policy Holder Notice — Countrywide

DENOTING DEFINED TERMS

As noted elsewhere in this Policy, terms in **bold face type** have the special meanings assigned to them in pertinent Definitions sections or Glossaries. When applicable, terms in "quotation marks" shall be treated as if they were in bold face type, and shall have the same special meanings described in the pertinent Definitions sections or Glossaries.

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POLICYHOLDER NOTICE

CNA Commercial Insurance
333 S. Wabash Ave.
Chicago, Illinois 60604-4153

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

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Policy Declarations





CNA PARAMOUNT

Policy Declarations

6. Forms and
Endorsements
Attached to this
Policy at
Issuance:

See Schedule of Forms and Endorsements

These Declarations, along with any attached forms and endorsements shall constitute the contract between the **Insureds** and the Insurer.

**CNA PARAMOUNT****Schedule of Forms and Endorsements**

Policy Number: 6056872807

I. CNA PARAMOUNT**A. Policyholder Notices**

| Endm't Number | Form Title | Form Number | Form Edition |
|------------------|---|-------------|-----------------|
| | Policy Holder Notice - Countrywide | CNA62820XX | 02-15 |
| | Policyholder Notice - New Jersey PLIGA | CNA62848NJ | 02-17 |
| | Policy Holder Notice - Countrywide | CNA74722XX | 01-15 |
| | Policy Holder Notice - Countrywide - Premium Basis Used on Liability Schedules | CNA75144XX | 04-15 |
| | Policy Holder Notice - Countrywide | CNA89319XX | 06-17 |
| | IMP INF Economic And Trade Sanctions Condition | G145041A | 05-03 |

B. Policy Terms & Conditions

| | | | |
|--|------------------------------------|------------|-------|
| | Policy Declarations | CNA62639XX | 09-12 |
| | Schedule of Forms and Endorsements | CNA62640XX | 09-12 |
| | Common Terms and Conditions | CNA62642XX | 10-15 |

II. POLICY COVERAGE PARTS**A. First Party Terms & Conditions**

| | | | |
|--|---------------------------------------|------------|-------|
| | First Party Glossary of Defined Terms | CNA62641XX | 10-15 |
| | First Party Terms and Conditions | CNA62647XX | 10-15 |

B. Business Property

| | | | |
|---|--|------------|-------|
| | Business Property Coverage Part Declarations | CNA62643XX | 09-12 |
| | Business Property Schedule of Coverages and Limits | CNA62645XX | 10-15 |
| | Business Property Schedule of Locations | CNA62644XX | 10-15 |
| 1 | Loss Payee or Mortgagee Schedule | CNA62728XX | 10-15 |
| | Business Property Coverage Part | CNA62648XX | 10-15 |
| 2 | Equipment Breakdown Exclusion Endorsement | CNA81067XX | 10-15 |

D. Inland Marine

**CNA PARAMOUNT****Schedule of Forms and Endorsements**

Policy Number: 6056872807

| Endm't Number | Form Title | Form Number | Form Edition |
|---------------|---|-------------|--------------|
| | Inland Marine Coverage Part Declarations | G55232 | 01-97 |
| | Contractors Equipment Declaration-Policy Level | G300665B | 11-09 |
| | Contractors Equipment Declaration-Add Cov and Ext | G300666B | 11-09 |
| | Valuable Papers and Records Schedule | G55231C | 07-88 |
| | Commercial Inland Marine Conditions | CM0001 | 09-04 |
| | Valuable Papers and Records Coverage Form | CM0067 | 03-10 |
| | Loss Payable Provision | G15028A | 08-89 |
| | Contractors Equipment Coverage Form | G44080H | 11-09 |

F. General Liability

| | | | |
|----|---|------------|-------|
| | General Liability Coverage Part Declarations | CNA74694XX | 01-15 |
| | Additional Declarations - General Liability Schedule of Locations and Coverages | CNA75126XX | 01-15 |
| | Commercial General Liability Coverage Part | CG0001 | 04-13 |
| 3 | General Liability Extension Endorsement | CNA74879XX | 01-15 |
| 4 | Coverage for Liability for Hazards of Lead without Sublimit Endorsement - New Jersey | CNA74942NJ | 01-15 |
| 5 | Blanket Additional Insured - Owners, Lessees or Contractors - with Products-Completed Operations Coverage - Limited Liability Endorsement | CNA75081XX | 01-15 |
| 6 | Pollution Exclusion Amendatory Endorsement | CNA74843XX | 01-15 |
| 7 | Fungi / Mold / Mildew / Yeast / Microbe Exclusion Endorsement | CNA74708XX | 01-15 |
| 8 | Employment-Related Practices Exclusion Endorsement | CNA74761XX | 01-15 |
| 9 | Testing or Consulting Errors and Omissions Exclusion Endorsement | CNA74775XX | 01-15 |
| 10 | Contractors - Professional Liability Exclusion Endorsement | CNA74801XX | 01-15 |
| 11 | Residential Construction Defect Products/Completed Operations Exclusion Endorsement | CNA74862XX | 01-15 |

**CNA PARAMOUNT****Schedule of Forms and Endorsements**

Policy Number: 6056872807

| Endm't Number | Form Title | Form Number | Form Edition |
|---------------|--|-------------|--------------|
| 12 | Construction Wrap-Up Program Exclusion Endorsement | CNA74863XX | 01-15 |
| 13 | Exterior Finish System Products/Completed Operations Property Damage Exclusion Endorsement | CNA74892XX | 01-15 |
| 14 | Engineers, Architects or Surveyors Professional Liability Exclusion Endorsement | CNA74980XX | 01-15 |
| 15 | Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - with Limited Bodily Injury Exception Endorsement | CNA75089XX | 01-15 |

G. Employee Benefits Liability

| | | | |
|----|---|------------|-------|
| | Employee Benefits Liability Coverage Part Declarations | CNA74693XX | 01-15 |
| | Additional Declarations - Employee Benefits Liability Schedule of Locations and Coverages | CNA75133XX | 01-15 |
| | Employee Benefits Liability Coverage Part - Occurrence | CNA74721XX | 01-15 |
| 16 | Employee Benefits Liability - Amended Definition of Executive Officer Endorsement | CNA86269XX | 10-16 |

III. POLICY ENDORSEMENTS

| | | | |
|----|---|------------|-------|
| 17 | Amendment to Policy Declarations- Named Insured Endorsement | CNA62700XX | 09-12 |
| | Coordination of Deductibles | G123098C | 12-06 |
| | Economic And Trade Sanctions Condition | G144291A | 03-03 |
| | New Jersey Changes | IL0111 | 11-03 |
| 18 | Broad Named Insured Endorsement | CNA75108XX | 01-15 |
| 19 | Bridge Endorsement | CNA62646XX | 01-15 |
| 20 | Cancellation / Non-Renewal - New Jersey | CNA62814NJ | 09-12 |
| 21 | Amendatory Endorsement - New Jersey | CNA62815NJ | 10-15 |
| 22 | Calculation of Premium Endorsement | CNA74726XX | 01-15 |

**CNA PARAMOUNT****Schedule of Forms and Endorsements**

Policy Number: 6056872807

| Endm't Number | Form Title | Form Number | Form Edition |
|------------------|--|-------------|-----------------|
| 23 | Bridge Endorsement | CNA85485XX | 05-16 |
| 24 | Asbestos Exclusion Endorsement | CNA74719XX | 01-15 |
| 25 | Nuclear Energy Liability Exclusion Endorsement (Broad Form) | CNA74727XX | 01-15 |
| 26 | Cap on Losses from Certified Acts of Terrorism Endorsement | CNA81503XX | 02-15 |



CNA PARAMOUNT

Common Terms and Conditions

The Insurer and the **Named Insured**, in consideration of the payment of the premium and in reliance upon all statements made in the application furnished to the Insurer designated in the **Policy Declarations**, a stock insurance corporation, hereafter called the "Insurer," agree as follows. Terms in bold face type have special meaning as set forth in any applicable **First Party Glossary of Defined Terms** or the applicable **coverage parts** of this Policy. All headings are also in bold, whether or not they contain defined terms. See **Section XVI, HEADINGS** below.

I. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy except in the case of death of a natural person **Named Insured**.

II. BANKRUPTCY

Bankruptcy or insolvency of any **Named Insured** or of the **Named Insured's** estate shall not relieve the Insurer of any of its obligations hereunder.

III. CANCELLATION/NONRENEWAL**A. Insurer's Right to Cancel**

The Insurer may cancel this policy by providing to the **First Named Insured** written notice of such cancellation stating when, not less than 10 days thereafter, such cancellation shall be effective if such cancellation is due to non-payment of premium. If cancellation is due to any other reason, such notice shall be provided not less than 60 days thereafter.

B. Named Insured's Right to Cancel

The **First Named Insured** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient.

C. Premium Refund

If this policy is cancelled, the Insurer will send the **First Named Insured** any premium refund due. If the Insurer cancels, the refund will be pro rata. If the **First Named Insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

D. Nonrenewal

If the Insurer decides not to offer any renewal terms for this Policy, the Insurer shall provide written notice to the **Named Insured** at least 60 days prior to the Policy expiration date. The notice shall include the reason for such non-renewal.

E. Notices

If any notice required under this Section is mailed, proof of mailing will be sufficient proof of notice.

IV. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

V. CONFORMITY TO STATUTE

Terms of these conditions or any **coverage part** that are in conflict with the statutes of the state in which this policy is issued are hereby amended to conform to such statutes.

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CNA PARAMOUNT

Common Terms and Conditions

VI. COORDINATION AMONG COVERAGE PARTS

Subject always to the applicable Limit of Liability, should two or more **coverage parts** apply to the same loss, the Insurer will not pay more than the **Named Insured's** actual loss.

VII. COVERAGE PART TERMS AND CONDITIONS

The terms and conditions of each **coverage part** apply only to that **coverage part** and shall not apply to any other **coverage part**. If any provision in the **Common Terms and Conditions** is inconsistent or in conflict with the terms and conditions of any **coverage part**, the terms and conditions of such **coverage part** shall control for purposes of that **coverage part**.

VIII. CURRENCY

All premiums, limits, deductibles and other amounts stated or payable under this Policy are expressed and payable in the currency of the United States of America. If any payments due under this Policy are stated or incurred in a currency other than United States of America dollars, payment under this Policy will be made in United States of America dollars, at the rate of exchange published in The Wall Street Journal on the date the Insurer's obligation to pay such amount is established (or, if not published on such date, the next publication date of The Wall Street Journal).

IX. ENTIRE AGREEMENT

The **Named Insureds** agree that this Policy constitutes the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

X. EXAMINATION OF THE INSURED'S BOOKS AND RECORDS

The Insurer may examine and audit any **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

XI. INSPECTIONS AND SURVEYS

The Insurer has the right but not the obligation to:

- A. make inspections and surveys at any time;
- B. provide reports on the conditions it finds;
- C. recommend changes; or
- D. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

- 1. make safety inspections;
- 2. undertake to perform the duty of any entity to provide for the health or safety of workers or the public;
- 3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

XII. LIBERALIZATION

If the Insurer adopts any revision that would broaden the coverage under this Policy without additional premium within 60 days prior to or during the **policy period**, the broadened coverage will immediately apply to this Policy.



CNA PARAMOUNT

Common Terms and Conditions

XIII. NAMED INSURED AUTHORIZATION AND NOTICES

The **First Named Insured** agrees that it will act on behalf of all **Named Insureds** with respect to the giving of all notices to the Insurer, the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the acceptance of endorsements.

Any notices required under the **CANCELLATION / NON-RENEWAL** sections of this Policy shall be provided to the **First Named Insured** at the last known address and to its insurance agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

XIV. NO SUIT AGAINST INSURER

A. No suit shall be brought under this Policy by anyone other than the **Named Insured**. The **Named Insured** may not bring any such suit, action or legal proceeding unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy and:

1. with respect to any property **coverage part**, the action is brought within 3 years after the date on which the loss or damage occurred or, with respect to any crime coverage, the date the loss was **discovered**;
2. with respect to any third party **coverage part**, the amount of the **Named Insured's** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Named Insured** after trial or by written agreement of the **Named Insured**, the claimant and the Insurer.

However, if any law prohibits such time limitation then the limitation is amended to equal the minimum time limitation required by such law.

B. No person or organization shall have any right under this Policy to join the Insurer as a party to any suit against the **Named Insured** to determine the **Named Insured's** liability, nor shall the Insurer be impleaded by the **Named Insured** or their legal representatives in any such suit.

XV. TRADE AND ECONOMIC SANCTIONS

This Policy does not provide coverage for any **Named Insured**, transactions, or any loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

XVI. HEADINGS

The descriptions in the headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Chairman and Secretary at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.

Chairman

Secretary

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CNA PARAMOUNT

First Party Glossary of Defined Terms

This **First Party Glossary of Defined Terms** applies to the **Business Property Coverage Part** and the **Business Crime Coverage Part**, as applicable, and their associated forms and endorsements. For purposes of this Policy, words in **bold**, whether expressed in the singular or the plural, have the meaning shown below.

Act or Decision

Act or decision means any act or decision, whether intentional or negligent, including the failure to act or decide, of any person, group, organization or governmental body which creates or allows a result which is unexpected, inadequate, defective, faulty or otherwise unsuitable for the intended purpose.

Actual Cash Value

Actual cash value means the **replacement cost** with deduction for depreciation, deterioration and obsolescence which amount is computed as of the time and at the place of loss or damage.

Alteration

Alteration means the material modification of an **original document** by a person acting without authority and with the intent to deceive. **Alteration** does not include the electronic or manual insertion of any personal identification code, including personal identification numbers or password or a **counterfeit**.

Banking Premises

Banking premises means the interior of that portion of any **building** occupied by a **financial institution**.

Bonus Payment

Bonus payment means the unamortized amount, other than rent or security, which the **Named Insured** paid to acquire the **Named Insured's** lease and that will not be refunded to the **Named Insured**.

Building

Building means a building or structure, including completed additions, additions under construction and alterations and repairs to such building or structure that the **Named Insured** owns, occupies or is legally or contractually required to insure.

Business Income

Business income means **net income**, including **rental value**, plus **continuing operating expenses**. **Business income** does not include **research and development business income**.

Client

Client means a third party for whom the **Named Insured** performs specified professional services for a fee.

Computer Fraud

Computer fraud means **theft of money, securities and other property** following and directly related to the use of any computer to fraudulently cause a transfer of that property to a person who is not an **employee** or to an account of any **financial institution** not controlled by the **Named Insured**.

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Contaminants or Pollutants

Contaminants or pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Continuing Operating Expenses

Continuing operating expenses means:

- A. the **Named Insured's** normal operating expenses including any reasonable and necessary payroll; plus
- B. charges that are the unsatisfied legal obligation of the **Named Insured's** tenants and for which the **Named Insured** is now obligated.

Continuing operating expenses does not include **extra expense**, expediting expense or **research and development project continuing expenses**.

Counterfeit

Counterfeit means a **written** imitation of an actual valid **original document** that is intended to deceive and to be taken as the **original document**.

Coverage Part

Coverage part means the **Business Property Coverage Part** and **Business Crime Coverage Part**, as applicable.

Coverage Territory

Coverage territory means the United States of America, its territories or possessions, Canada, or Puerto Rico. **Coverage territory** does not include any waterborne shipment to or from Alaska, Puerto Rico, Hawaii or territories or possessions of the United States of America.

Covered Equipment

Covered equipment means any boiler, fired or unfired vessel, refrigerating or air conditioning system, piping and its accessory equipment, and any mechanical or electrical machine or apparatus used for the generation, transmission, or utilization of mechanical or electrical power.

Covered Instruments

Covered instruments means **written** checks, drafts, promissory notes or similar **written** promises, orders or directions to pay a sum certain in **money**, and also includes **written** instruments required in conjunction with any credit, debit or charge card issued to the **Named Insured** or to any **employee** for business purposes, or issued to any proprietor, partner, **member** or officer of the **Named Insured** for personal use.

Covered Peril

Covered peril means a fortuitous cause or event, not otherwise excluded, which occurs during this **policy period**.

Covered peril does not include:

1. a fortuitous cause or event, whether or not excluded, which actually occurred prior to the **policy period**, regardless of the date on which it first becomes manifest or is first discovered; or
2. damage from unknown causes or events.



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Covered Property

Covered property means the property that is insured for loss or damage under the **Business Property Coverage Part** or endorsements.

Denial of Service Attack

Denial of service attack means an attack executed over one or more networks or the internet, which attack is designed and intended to disrupt the operation of one or more networks and render the networks inaccessible to authorized users.

Dependent Property

Dependent property means a premises that is operated by others on whom the **Named Insured** depends to:

- A. deliver materials or services to the **Named Insured** or to others for the **Named Insured's** account;
- B. accept the **Named Insured's** products or services;
- C. manufacture products for delivery to the **Named Insured's** customers under contract of sale; or
- D. attract customers to the **Named Insured's** business.

The **dependent property** includes the area associated with that address in which the occupant of the above premises is legally entitled to conduct business activities and includes the area extending 1,000 feet beyond that address.

Dependent property does not include:

- 1. any premises operated by others on whom the **Named Insured** depends to deliver any:
 - a. power, communications or other utility services;
 - b. internet access or internet services; or
 - c. data management, network management, software management or cloud computing and storage services; or
- 2. any premises within any country in which the United States government has imposed sanctions, embargoes or similar prohibitions.

Discover or Discovered

Discover or **discovered** means the earlier of the time when the **Named Insured** first:

- A. becomes aware of facts which would cause a reasonable person to assume that a covered loss did or will happen, regardless of when the act that may cause or contribute to such loss occurred, even though the exact amount or details of loss may not be known; or
- B. receives notice of an actual or potential claim in which it is alleged that the **Named Insured** is liable to a third party under circumstances that, if true, would constitute a covered loss.

Earth Movement

Earth movement means earthquake or other seismic activity (including but not limited to underground magma activity), the abrupt rising, sinking or shifting of earth (naturally occurring or man-made) or mine subsidence. However, **earth movement** does not include landslide, avalanche, tsunami, **sinkhole collapse** or **volcanic eruption**.

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Electronic Data Processing Equipment

Electronic data processing equipment means:

- A. a network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic media, including climate control and fire protective equipment used solely in connection with data processing operations;
- B. telephone equipment; and
- C. facsimile equipment.

Electronic data processing equipment does not include any equipment which:

- 1. are **stock**; or
- 2. exist primarily to control or operate machinery or equipment to produce **goods in process** or **finished stock**.

Electronic Data Processing Equipment Leasehold Values

Electronic data processing equipment leasehold values means the present value of the difference between the:

- A. actual periodic lease payments for **electronic data processing equipment** that has incurred direct physical loss or damage and for which the **Named Insured** remains liable during the unexpired term of the lease; and
- B. periodic payment for the replacement of **electronic data processing equipment** due under the new lease, for each remaining month of the term of the lease.

Electronic Infection

Electronic infection means the transmission of a computer virus.

Electronic Vandalism

Electronic vandalism means the willful or malicious alteration, manipulation or destruction of **media**, **electronic data processing equipment**, **research and development project property** and **records of accounts receivable** due to **system penetration**, **electronic infection** or a **denial of service attack**, including such acts committed by an employee (including leased and temporary employees).

Employee

Employee means:

- A. any natural person:
 - 1. while in the **Named Insured's** service (and for 60 days after termination of service);
 - 2. whom the **Named Insured** compensates directly by salary, wages, or commissions; and
 - 3. whom the **Named Insured** has the right to direct and control while performing services for the **Named Insured**;
- B. any natural person who is furnished to the **Named Insured**:
 - 1. to substitute for a permanent employee on leave; or
 - 2. to meet seasonal or short-term workload conditions,

while that person is subject to the **Named Insured's** direction and control and performing services for the **Named Insured**, excluding, however, any such person while having care and custody of the **Named Insured's** property outside the **premises**;



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- C. any natural person leased to the **Named Insured**, under an agreement between the **Named Insured** and a labor leasing firm, while that person is subject to the **Named Insured's** direction and control and performing services for the **Named Insured**;
- D. any non-compensated natural person:
 - 1. other than one who is a fund solicitor, while performing services for the **Named Insured** that are usual to the duties of an employee or officer; or
 - 2. while acting as a fund solicitor during fund raising campaigns; or
- E. solely with respect to an **employee benefit plan**, any natural person who is required to be bonded by the Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and any regulations promulgated thereunder.

Other than with respect to an **employee benefit plan**, **employee** does not include any:

- 1. agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2. **manager, member**, partner, proprietor, director or trustee, but solely to the extent he or she is acting in his or her capacity as such.

Employee Benefit Plan

Employee benefit plan means an employee welfare benefit plan or an employee pension benefit plan as more fully set forth in Title 1, Section 3 of the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto and which is solely sponsored by the **Named Insured**.

Employee Theft

Employee theft means **theft** committed by an **employee** to the deprivation of the **Named Insured** or an **employee benefit plan**, whether identified or not, acting alone or in collusion with others. Solely with respect to an **employee benefit plan**, **employee theft** means all acts of fraud or dishonesty required to be bonded against by the Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and any regulations promulgated thereunder.

Employee theft also includes **forgery** of such property by an **employee**.

Equipment Breakdown Peril

Equipment breakdown peril means:

- A. Artificially generated electrical current, including electrical arcing, that injures or disturbs electrical devices wiring or equipment.
- B. Explosion, rupture or bursting of steam boilers, steam pipes, steam engines, steam turbines, gas turbines or apparatus attached to and forming a part thereof, when owned, operated or controlled by the **Named Insured**, except for the explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the products of combustion pass.
- C. Any condition or event inside steam boilers, steam pipes, steam engines, steam turbines, gas turbines or apparatus attached to and forming a part thereof, when owned, operated or controlled by the **Named Insured**; except for explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the gases of combustion pass.
- D. Any condition or event, other than an explosion, inside hot water boilers, other water heating equipment, engines other than steam engines or pressure vessels when owned, operated or controlled by the **Named Insured**.
- E. Mechanical or machinery breakdown, including rupture or bursting caused by centrifugal force, of property owned, operated or controlled by the **Named Insured**.





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Executive Officer

Executive officer means any natural person partner, member, officer, manager (of a limited liability company), director or trustee of the **Named Insured**.

Extra Expense

Extra expense means actual reasonable and necessary operating expenses the **Named Insured** incurs during the **period of restoration** that would not have been necessary to incur if there had been no direct physical loss of or damage to property, provided such expenses are incurred:

- A. to avoid or minimize the suspension or delay of **operations** and to continue such **operations** which have been affected by the direct physical loss or damage to the property; or
- B. in an attempt to minimize the **period of restoration**.

Extra expense does not include:

- 1. **research and development project continuing expenses** or **continuing operating expenses**;
- 2. costs incurred to purchase **merchandise** as a replacement for the **Named Insured's finished stock**;
- 3. costs to repair or replace any property, or research or restore **media** or **records of accounts receivable**; or
- 4. amounts incurred on financing or investment activity conducted for the **Named Insured's** account.

Financial Institution

Financial institution means:

- A. a banking, savings or thrift institution, credit union or similar depository institution; or
- B. a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution where the **Named Insured** maintains an account.

However, **financial institution** does not include check cashers, currency exchangers or money remittance firms.

Fine Arts

Fine arts means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antiques, porcelains, rare books, manuscripts, and similar property of rarity, historical value or artistic merit.

Finished Stock

Finished stock means **manufactured goods** that are in a completed state and ready for packing, shipment, installation or sale. However, **finished stock** does not include **manufactured goods** that are held for sale at a **location** of any retail outlet.

First Named Insured

First Named Insured means the person or entity first named in Item 1 of the Policy Declarations.

Fixtures

Fixtures means:

- A. indoor or outdoor property fixed or attached to a **building**, including permanently installed machinery and equipment; or
- B. glass (including all lettering and ornamentation) forming part of the **building**.



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Flood

Flood means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- A. the overflow, or the expansion beyond normal boundaries, of inland or tidal waters, including natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water or watercourse;
 - B. waves, tides or tidal waves including tsunami;
- or their spray, all whether driven by wind or not, including storm surge.

Forgery

Forgery means the signing of the name of another person or organization with intent to deceive. **Forgery** does not include:

- A. a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose;
- B. the electronic or manual insertion of any personal identification code, including personal identification numbers or passwords; or
- C. counterfeit.

Funds Transfer Fraud

Funds transfer fraud means **theft of money** and **securities** following and directly related to the use of fraudulent **written** or verbal instructions which are purported to have been made by the **Named Insured**, which causes an electronic transfer of **money** or **securities** from a **financial institution** to:

- A. an account at a **financial institution** not controlled by the **Named Insured**; or
- B. a person other than an **employee**.

Fungi

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. **Fungi** does not include any fungi intended by the **Named Insured** for consumption.

Goods In Process

Goods in process mean **raw stock** which has undergone any aging, seasoning, mechanical or other process of manufacture but which has not become **finished stock**.

Green Insured Property

Green insured property means **insured property** created, built or constructed following the practice of creating **buildings** or materials or using processes that incorporate one or more of the following practices and are certified as such by a government organization or a nationally or internationally recognized building industry organization or governmental agency, such as the U.S. Green Building Council (LEED certification), ECD Energy, Environment Canada (Green Globes) or the U.S. Department of Energy:

- A. Energy Efficiency, including steps implemented to obtain an ENERGY STAR label for a **building** at a **location** or **reported unspecified location**, as well as use of ENERGY STAR or equivalently rated materials, lighting systems, HVAC equipment, appliances or electronic products (if current like kind and quality replacement is not ENERGY STAR rated).

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- B. Water Efficiency, including use of water efficient processes and wastewater technologies, as well as use of alternative water or indoor plumbing systems that reduce water usage from any plumbing fixture.
- C. Materials Efficiency, including use of sustainable and environmentally preferable construction materials, materials management and re-cycling programs.
- D. Environmental Quality, including reduction of the quantity of indoor air contaminants by use of low-emitting products or materials.

Green insured property does not include **stock**, processing water, molds and dies, property in the open, **personal property of others** or **personal property of executive officers or employees**.

Gross Leasehold Interest

Gross leasehold interest means the difference between the:

- A. the current monthly rental value at the market rate of the **location** or the **reported unspecified location** the **Named Insured** has leased on the date the direct physical loss or damage occurred; and
- B. the actual monthly rent the **Named Insured** currently pays, including taxes, insurance, janitorial or other services or fees that the **Named Insured** pays as part of the rent and other monthly assessments.

Installation Location

Installation location means a premises that is not owned, leased or operated by the **Named Insured** at which **installation property** is or will be installed, constructed or serviced.

Installation Property

Installation property means **personal property** that has or will become a permanent part of an installation, construction, or service project being performed for others by the **Named Insured**, or on the **Named Insured's** behalf.

Insured Property

Insured property means **real property** and **personal property**.

Location

Location means each of the locations specified in the **Business Property Schedule of Locations** or scheduled in any endorsement to this Policy and includes:

- A. the area associated with that address in which the **Named Insured** is legally entitled to conduct business activities; and
- B. the area extending 1,000 feet beyond that address.

Manager

Manager means any natural person manager or **member**.

Manufactured Goods

Manufactured goods means goods manufactured at a premises:

- A. the **Named Insured** owns or operates; or
- B. that the **Named Insured** does not own or operate, provided the **Named Insured**:
 1. contracted for the goods to be manufactured exclusively for the **Named Insured**; and



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2. the **Named Insured** is the owner or licensee of the design, patent, trademark or copyright for the goods.

Market Value

Market value means the price that property might be expected to realize if offered for sale in a fair market.

Media

Media means recorded information in any format which is an existing original or which can be duplicated or replaced by purchasing an existing duplicate that is for sale, and including any material upon which it is inscribed, printed, written or recorded, owned by the **Named Insured** or owned by others in the **Named Insured's** care, custody or control.

Media does not include **money, securities, stock, fine arts, records of accounts receivable or research and development project property.**

Member

Member means any person serving on the Board of Managers or equivalent executive of a **Named Insured** that is a limited liability company.

Merchandise

Merchandise means:

- A. goods held for sale or installation by the **Named Insured** which are not **manufactured goods**; or
- B. **manufactured goods** which are completed and ready for packing, shipment, installation or sale at a **location** of any retail outlet.

Messenger

Messenger means any of the **Named Insured's** natural person **members**, proprietors, partners, **executive officers** or **employees** who are duly authorized by the **Named Insured** to have care and custody of the property outside the premises.

Microbes

Microbes means any:

- A. non-fungal microorganism;
- B. non-fungal, colony-form organism;
- C. virus; or
- D. bacteria.

Microbe includes any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of **microbes**.

Mobile Computing Device

Mobile computing device means cellular phones, laptop computers and other personal hand-held electronic devices, including accessories for such portable computing devices used in the **Named Insured's** business that are owned by the **Named Insured, executive officers** or employees (including leased or temporary employees).

Mobile computing device does not include any of these devices while rented or leased to others or **stock**.

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Money

Money means:

- A. currency, coins and bank notes in current use and having a face value; and
- B. travelers checks, register checks and money orders held for sale to the public.

Monthly Leasehold Interest

Monthly leasehold interest means the original costs the **Named Insured** paid for **bonus payments** and **prepaid rent**, divided by the number of months left in the **Named Insured's** lease at the time of the expenditure.

Mudslide or Mudflow

Mudslide or mudflow means a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

Named Insured

Named Insured means the persons or entities named as such on the **Business Crime Coverage Part, Business Property Coverage Part** or Policy Declarations.

For **insured property** that is the subject of a Contract of Sale, **Named Insured** includes the Contract of Sale Loss Payee.

Named Storm

Named storm means a tropical storm system that is declared to be named by the National Hurricane Center, World Meteorological Organization or any similar organization, agency or body responsible for naming such weather systems, including tropical storm spawned tornados or microbursts.

The named tropical storm begins when such organization, agency or body officially declares the storm system as a named tropical storm and ends when that organization, agency or body officially declares the named tropical storm:

- A. permanently downgraded to a tropical depression;
- B. reclassified as a Post Tropical Cyclone and the maximum sustained surface wind speed (using U.S. 1-minute average) is 33 kt (38 mph or 62 km/hr) or less; or
- C. reclassified as an Extra Tropical Cyclone and the maximum sustained surface wind speed (using U.S. 1-minute average) is 33 kt (38 mph or 62 km/hr) or less.

Net Income

Net Income means net profit or loss that would likely have been earned or incurred before taxes. **Net income** does not include any profit that would likely have been earned as a result of an increase in the business transactions due to favorable business conditions caused by the impact of the **covered peril** in the vicinity of such **covered peril**.

Net Leasehold Interest

Net leasehold interest means the net present value of the **gross leasehold interest** for each remaining month of the term of the lease, discounted at the Prime Rate on the date the direct physical loss or damage occurs, rounded to the nearest dollar.



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Newly Acquired Location

Newly acquired location means a fixed premises the **Named Insured** owns, leases, rents or controls. The premises becomes a **newly acquired location** on the later of:

- A. the date the **Named Insured** obtains possession or control of the premises; or
- B. the date the **real property, personal property, fine arts, records of accounts receivable** or **media** for which the **Named Insured** has an insurable interest is placed at the premises.

Newly acquired location does not include:

- 1. a **location**;
- 2. an **unspecified location**;
- 3. a **reported unspecified location**;
- 4. an **installation location**; or
- 5. a fair, trade show or exhibition.

Occurrence

Occurrence means one event or a series of related events that contribute concurrently to or contribute in any sequence to physical loss of or damage to property. However, with respect to:

- A. the **equipment breakdown peril, occurrence** means all equipment breakdowns that manifest themselves at the same time and are the result of the same cause, regardless of the number of **locations** or **reported unspecified locations** or other premises involved.
- B. a **named storm, occurrence** means each **named storm**. If a **named storm** is downgraded to a tropical depression, such tropical depression shall be considered a separate **occurrence**.
- C. **theft, occurrence** means all loss sustained by the **Named Insured** caused by:
 - 1. any single act or series of related acts;
 - 2. any act or acts involving one person, or a group of persons acting together; or
 - 3. an act or event, or a series of related acts or events, not involving any identifiable person.
- D. **volcanic eruption, occurrence** means all volcanic eruptions, explosions or effusions that occur within any 168 hour period.
- E. **Employee Theft Coverage** or **Employee Theft of Client Property Coverage, occurrence** means:
 - 1. any single act;
 - 2. the combined total of all separate acts whether or not related; or
 - 3. a series of acts whether or not related,
 committed by an **employee**, acting alone or in collusion with other persons, or any group of **employees** acting together, even if in collusion with other persons, during the **policy period**, before the **policy period** or both, subject to the **Loss Sustained During Prior Policy** Condition under the **BUSINESS CRIME COVERAGE CONDITIONS** in the **First Party Terms and Conditions**.
- F. **Forgery or Alteration Coverage, occurrence** means:
 - 1. any single act;
 - 2. the combined total of all separate acts whether or not related; or
 - 3. a series of acts whether or not related,

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committed by any one person acting alone or in collusion with others, or in which any such person is implicated, involving one or more instruments, during this **policy period**, before this **policy period** or both, subject to the **Loss Sustained During Prior Policy** condition under the **BUSINESS CRIME COVERAGE CONDITIONS** in the **First Party Terms and Conditions**.

G. Money and Securities Coverage or any other coverage provided under the **Business Crime Coverage Part**, **occurrence** means:

1. any single act, or series of related acts;
2. the combined total of all separate acts whether or not related; or
3. a series of acts whether or not related,

committed by any one person acting alone or in collusion with others, or not committed by any identifiable person, during the **policy period**, before the **policy period** or both, subject to the **Loss Sustained During Prior Policy** Condition under the **BUSINESS CRIME COVERAGE CONDITIONS** in the **First Party Terms and Conditions**.

H. Utility Supply Failure Coverage, occurrence means one event or a series of related events that contribute concurrently to or contribute in any sequence to physical loss of or damage to property, regardless of the number of **locations** or **reported unspecified locations** or the number of utility service providers or utility service properties involved in the same event.

Operations

Operations means the **Named Insured's** business activities occurring at the covered premises prior to the time and date of the loss or damage, including the **Named Insured's** activities as a lessor.

Operations does not include business activities as part of research and development projects.

Original Document

Original document means:

- A.** the first rendering or archetype and does not include photocopies or electronic transmissions even if received and printed; or
- B.** for the purposes of Forgery or Alteration Coverage only, a "substitute check", as defined in the Check Clearing for 21st Century Act.

Other Property

Other property means any tangible property other than **money** and **securities** that has intrinsic value.

Other property does not include any property listed in the **Business Crime Coverage Part** as specifically not covered.

Outdoor Trees, Shrubs, Plants or Lawns

Outdoor trees, shrubs, plants or lawns mean trees, shrubs, plants or lawns the **Named Insured** owns that are located outside.

Outdoor trees, shrubs, plants or lawns does not include growing crops, standing timber, **stock** or trees, shrubs, plants, grass or lawns that are part of a vegetated roof.

Period of Restoration

A. Period of restoration means the period of time that begins with:

1. the time and date that the physical loss or damage that causes **suspension of operations** occurs; or



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2. the date **operations** would have begun if such loss or damage delays the start of **operations** and such loss or damage is to any of the following:
 - a. **buildings** whether complete or under construction;
 - b. alterations or additions to existing **buildings**;
 - c. machinery, equipment, supplies or materials that are:
 - (1) used in such construction, alterations or additions;
 - (2) incidental to the occupancy of the area intended for construction, alteration or addition; or
 - (3) incidental to the alteration of the occupancy of an existing **building**.
- B. If the **Named Insured** resumes **operations**, with reasonable speed, the **period of restoration** ends on the earlier of:
 1. the date when the premises where the loss or damage occurred could have been physically capable of resuming the level of **operations** which existed prior to the loss or damage; or
 2. the date when a new permanent premises is physically capable of resuming the level of **operations** which existed prior to the loss or damage, if business is resumed at a new permanent premises.
- C. If the **Named Insured** does not resume **operations**, or does not resume **operations** with reasonable speed, whether at a **location, reported unspecified location** or elsewhere, the **period of restoration** will end on the date when the premises where the loss or damage occurred could have been restored to the physical size, construction, configuration and material specifications which existed at the time of loss or damage, with no consideration for any increased period of time:
 1. which would have been required to make changes in order to repair or reconstruct the property or tear down undamaged parts of the property, to meet the minimum requirements of an ordinance or law; or
 2. which would have been necessary to make the premises physically capable of resuming the level of **operation** which existed prior to the loss or damage after the completion of repairs or replacement.
- D. With respect to **Dependent Property Time Element Coverage** under the **OFF-SITE COVERAGE** section in the **Business Property Coverage Part**, **period of restoration** means the period of time that:
 1. begins on the date the physical loss of or damage to property at a **dependent property** occurs; and
 2. ends on the date when the property at that **dependent property** should be repaired or replaced with reasonable speed and similar quality.
- E. With respect to **research and development business income**, the **period of restoration** means the period of time that begins with the time and date of the physical loss of or damage to **research and development project property** that causes **suspension** of the **Named Insured's** research and development project and ends on the earlier of:
 1. the date such **research and development project property** could be recreated or restored with reasonable speed and similar quality to the condition that existed at the time of loss or damage; or
 2. 365 days immediately following the date the physical loss of or damage to such **research and development project property** occurred.
- F. No **period of restoration** will be cut short by the expiration of the Policy.

Personal Property

Personal property means:

- A. all property, other than **real property**, owned by the **Named Insured** and used in the **Named Insured's** business, including furniture, fixtures, machinery, **electronic data processing equipment** and **stock**;
- B. glass in **buildings** which, as a tenant, the **Named Insured** has a contractual responsibility to insure;
- C. the **Named Insured's** outdoor signs, antennas and towers and fences;
- D. **personal property of others**;





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- E. **personal property of executive officers or employees;**
- F. property, other than **real property**, the **Named Insured** leases for use in its business and for which the **Named Insured** has a contractual responsibility to insure, unless otherwise provided for under **personal property of others;**
- G. the value of labor, materials or services furnished or arranged by the **Named Insured** on **personal property of others;**
- H. the **Named Insured's** interest in **tenant's improvements and betterments;**
- I. power or communication generation or transmission equipment, including transmission and distribution lines of any type, owned, operated, controlled by or leased by the **Named Insured;** or
- J. vehicles or self-propelled machines (including autos, aircraft or watercraft) that:
 - 1. the **Named Insured** manufactures, processes or warehouses or holds for sale that are licensed for use on public roads while at a **location** or **reported unspecified location;**
 - 2. the **Named Insured** manufactures, processes or warehouses or holds for sale that are not licensed for use on public roads while at a **location** or **reported unspecified location;**
 - 3. are unpowered watercraft owned by the **Named Insured** while out of the water at a **location** or **reported unspecified location;** or
 - 4. are trailers owned by the **Named Insured** that are not licensed for use on public roads while at a **location** or **reported unspecified location.**

Personal property does not include **property not covered.**

Personal Property of Executive Officers or Employees

Personal property of executive officers or employees means personal property that is owned by **executive officers** or the **Named Insured's** employees (including leased or temporary employees) and that is usual to the occupancy of the **building.**

Personal Property of Others

Personal property of others means personal property that is not owned by the **Named Insured** but is in the **Named Insured's** care, custody or control.

Personal property of others does not include **personal property of executive officers or employees.**

Policy Period

Policy period means the period of time shown on the Policy Declarations, beginning on the effective date and time and ending on the expiration date and time, or the Policy's earlier cancellation date.

Policy Premium

Policy premium means the original premium and the fully annualized amount of any additional premiums, charged by the Insurer for coverage provided during the **policy period.**

Prearranged Transfer

Prearranged transfer means an electronic transfer of **money** or **securities** which is part of a regular or scheduled series of electronic transfers, authorized by **written** agreement, to a designated **financial institution** specifying:

- A. the amount of **money** or **securities** to be transferred; and
- B. account number to be credited.



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Premises

Premises means:

- A. the interior of that portion of any building the **Named Insured** occupies in conducting the **Named Insured's** business;
- B. with respect only to damage to **other property**, the exterior of that portion of any building the **Named Insured** occupies in conducting the **Named Insured's** business; or
- C. with respect only to the **Employee Theft of Client Property While on Client Premises Coverage** under the **Business Crime Coverage Part**, the interior of that portion of any building a **client** occupies in conducting the **client's** business or the interior of a **client's** owned, leased or rented residence.

Prepaid Rent

Prepaid rent means that unamortized portion of any amount of advance rent the **Named Insured** paid based on the percentage of the unexpired portion of the lease that remains at the time of physical loss or damage.

Prepaid rent does not include the customary rent for a rental period or any amount refunded to the **Named Insured**.

Property Not Covered

Property not covered means:

- A. animals unless:
 - 1. owned by others and boarded by the **Named Insured**, or
 - 2. owned by the **Named Insured** as **stock**, other than **research animals**, while inside of a **building** at a **location** or **reported unspecified location**;
- B. bulkheads, pilings, piers, wharves or docks;
- C. contraband, or property in the course of illegal transportation or trade;
- D. **fine arts, money, securities, records of accounts receivable, media** or **research and development project property**;
- E. vehicles or self-propelled machines (including autos, aircraft or watercraft) that are:
 - 1. licensed for use on public roads; or
 - 2. operated principally away from the **location** or **reported unspecified location**, except to the extent included in Paragraph J. of the **personal property** definition;
- F. land, naturally occurring water, air, growing crops and standing timber;
- G. **outdoor trees, shrubs, plants or lawns**;
- H. dams, dikes or retaining walls;
- I. underground mines, mine shafts, caverns, open pits or quarries; or
- J. any property which the **Named Insured** has covered under any other Policy in which such property is more specifically described, except for the excess of the amount due under such other coverage, whether collectible or not.

Qualifying Period

Qualifying period means the continuous period of time which must pass before the applicable coverage begins.

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Raw Stock

Raw stock means material in the state in which the **Named Insured** acquired it for conversion into **finished stock**.

Real Property

Real property means:

- A. **buildings** and temporary or appurtenant structures of such **buildings**;
- B. **fixtures**;
- C. **personal property** that is used to maintain or service the **buildings**, **locations** or **reported unspecified locations**;
- D. the **Named Insured's** indoor and outdoor signs;
- E. materials, equipment, supplies and temporary **buildings** used for making additions, alterations or repairs to any such **building**;
- F. paved or concrete surfaces owned by the **Named Insured**;
- G. **building** foundations; or
- F. underground pipes, flues and drains owned by the **Named Insured**.

Real property does not include **property not covered**.

Records of Accounts Receivable

Records of accounts receivable means accounting records used by the **Named Insured** to document the billing and collection of **money** due from the **Named Insured's** customers, regardless of what medium those records are inscribed, printed, written or recorded upon.

Records of accounts receivable includes:

- A. **money** due the **Named Insured** from its customers that the **Named Insured** is unable to collect after exerting all reasonable effort to do so;
- B. interest charges on any loan required to offset amounts the **Named Insured** is unable to collect pending the Insurer's payment of these amounts; and
- C. collection expenses in excess of the **Named Insured's** normal collection expenses that are made necessary by such loss or damage,

resulting from the direct physical loss of or damage to **records of accounts receivable**.

Rental Value

Rental value means that portion of **net income** that would have been earned or incurred as rental income from tenant occupancy of a **location** or **reported unspecified location** as furnished and equipped by the **Named Insured**, including fair rental value of any portion of the **location** or **reported unspecified location** which is occupied by the **Named Insured**.

Replacement Cost

Replacement cost means the cost to repair or replace **covered property** at the time of direct physical loss or damage with property of comparable material and quality on the same or another site, and used for the same purpose, without deduction for depreciation, deterioration, and obsolescence which amount is computed as of the time and at the place of such loss or damage. If property of the same kind and quality is no longer available, the Insurer will pay to replace it with other property of similar quality and function, including property of greater processing capacity.



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Replacement cost valuation for **insured property** includes the cost the **Named Insured** paid for non-refundable or non-transferable extended warranties, maintenance contracts or service contracts which are still in force at the time of loss or damage and are no longer valid as a result of loss of or damage to such **insured property**.

Reported Unspecified Location

Reported unspecified location means fixed premises that has been identified on a schedule submitted by the **Named Insured** and on file with the Insurer, including:

- A. the address of the premises and includes that area extending 1000 feet beyond that address;
- B. an identification of the **insured property**, **business income** or **extra expense**; and
- C. the value of such identified **insured property**, **business income** or **extra expense**.

If the **Named Insured** is a tenant, for purposes of **time element coverage**, **reported unspecified locations** includes that portion of the premises not rented, or intended to be rented, to others.

Reported unspecified location does not include:

- 1. a **location**;
- 2. an **unspecified location**;
- 3. a fair, trade show or exhibition;
- 4. an **installation location**; or
- 5. a **dependent property** with respect to loss or damage covered by any **time element coverage**.

Research Animals

Research animals means laboratory animals used in the **Named Insured's** research and development project or bred for sale to other medical technology or life science entities.

Research and Development Business Income

Research and development business income means:

- A. **net income** that would have been earned or incurred had no loss or damage resulting in an interruption in the **Named Insured's** research and development project occurred, including **net income** resulting from:
 - 1. lost or delayed pre-sale orders from new or current customers for a new product or an improved current product, whose entry into the marketplace is delayed because these products were the subject of lost or damaged **research and development project property**; or
 - 2. grants, endowments and any other contract revenues, licensing fees, consulting fees, funding grants and progress payments, including milestone contracts; plus
- B. **research and development project continuing expenses**.

However, **research and development business income** does not include any amount that is otherwise payable under this **Business Property Coverage Part** or that does not necessarily continue during the interruption in the research and development project.

Research and Development Project Continuing Expenses

Research and development project continuing expenses means the **Named Insured's** normal **continuing operating expenses** that are directly attributable to research and development projects, including any reasonable and necessary payroll expenses, rental payments as a tenant and factory overhead.

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Research and Development Project Property

Research and development project property means the **Named Insured's**:

- A. written, printed, electronic or inscribed documents, plans, records, formulas or other information, including any material upon which it is inscribed, printed, written or recorded;
- B. original or experimental property;
- C. existing prototypes used as the model for the final version of a new product or design; or
- D. undamaged property that needs to be recreated, restored or replaced due to covered loss of or damage to property in Paragraphs **A.**, **B.** or **C.**,

developed or used in conjunction with any ongoing and active research and development project.

Research and development project property does not include **research animals**, **media**, plants or crops or **fine arts**.

Robbery

Robbery means the unlawful taking of specified property from the care and custody of any person by one who has:

- A. caused or threatened to cause that person bodily harm; or
- B. committed an unlawful act witnessed by that person.

Safe Burglary

Safe burglary means the unlawful taking of:

- A. property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
- B. a safe or vault from inside the **premises**.

Securities

Securities means negotiable and non-negotiable instruments or contracts representing either **money** or representing other tangible property that has intrinsic value, including:

- A. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; or
- B. evidences of debt issued in connection with credit, debit or charge cards, which cards are not issued by the **Named Insured**.

Securities does not include **money**.

Sinkhole Collapse

Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite provided such cavities were not man made or did not result from **flood**.

Specified Peril

Specified peril means:

- A. aircraft or vehicles;
- B. explosion, fire or leakage from fire extinguishing equipment;
- C. lightning, smoke, **volcanic eruption**, **water damage**, weight of snow, ice or sleet;



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- D. windstorm or hail;
- E. riot, civil commotion or vandalism or **theft**;
- F. falling objects, excluding loss or damage to:
 - 1. **personal property** in the open; or
 - 2. the interior of a **building**, or property inside a **building**, unless the roof or an outside wall of the **building** is first damaged by a falling object;
- G. **sinkhole collapse**;
- H. solely with respect to **personal property** in the course of transit, **specified peril** also includes:
 - 1. vehicle collision upset or overturn; or
 - 2. sinking or stranding of a vessel, or collapse of a bridge, culvert, dock or wharf; or
- I. **equipment breakdown peril**, excluding loss of or damage to **insured property** caused by the discharge, dispersal, release or escape of refrigerants, including ammonia.

Stock

Stock means **raw stock, goods in process, finished stock or merchandise**, including packing or shipping materials and including software incorporated into such **finished stock or merchandise**.

Sublease Profit

Sublease profit means the net profit the **Named Insured** earns through subleasing the **building** or portion of the **building** that the **Named Insured** rents for the unexpired term of the cancelled lease or sublease, whichever would expire first. This amount is discounted based on the Prime Rate on the date the direct physical loss or damage occurs, rounded to the nearest whole number.

Suspended Equipment

Suspended equipment means **covered equipment**, provided the Insurer has complied with the requirements described in the **SUSPENDED EQUIPMENT** Condition in the **First Party Terms and Conditions**.

Suspension

Suspension means:

- A. the slowdown or cessation of the **Named Insured's** business activities; or
- B. that a part or all of the covered premises is rendered untenable.

System Penetration

System penetration means the intentional and malicious use of a computer to obtain unauthorized access to information and resources stored on **electronic data processing equipment**.

Tenant's Improvements and Betterments

Tenant's improvements and betterments means **fixtures**, glass, signs, alterations, installations or additions:

- A. made a part of a **building** the **Named Insured** occupies as a tenant but does not own;
- B. made or acquired at the **Named Insured's** expense exclusive of rent paid by the **Named Insured** or for which the **Named Insured** is legally required by written contract to insure; and
- C. that the **Named Insured** cannot legally remove.





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Tenant's Lease Interest

Tenant's lease interest means the difference between:

- A. the actual rent due for the unexpired portion of the cancelled lease at the time of covered loss or damage; and
- B. the rent due under the new lease for the same time period.

Theft

Theft means the unlawful taking of property.

Time Element Coverage

Time element coverage means **business income**, **research and development business income** or **extra expense** to the extent these apply under this **Business Property Coverage Part**.

Transfer Agreement

Transfer agreement means a **written** agreement with any **financial institution** authorized to transfer **money** and **securities** at the **Named Insured's** request.

Unspecified Location

Unspecified location means:

- A. a premises not listed in the **Business Property Schedule of Locations**; or
- B. a fair, trade show or exhibition.

An **unspecified location** does not include:

- 1. a **location**;
- 2. a **newly acquired location**;
- 3. a **reported unspecified location**;
- 4. an **installation location**; or
- 5. a **dependent property** with respect to loss or damage covered by any **time element coverage**.

Volcanic Eruption

Volcanic eruption means the eruption, explosion or effusion of a volcano that gives rise to physical loss or damage when such loss or damage is caused by:

- A. airborne volcanic blast or airborne shock waves;
- B. ash, dust or particulate matter; or
- C. lava flow.

Water Damage

Water damage means:

- A. the discharge or leakage of domestic or process water or steam from:
 - 1. water pipes and any other apparatus meant to carry or distribute water including, but not limited to, hoses and tubes and fire protection sprinkler system piping;



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2. appliances; or

3. mechanical systems; or

B. the overflow, discharge or leakage of water from bathroom, kitchen and laundry fixtures and faucets, within a **building**.

Written

Written means expressed through letters or marks placed upon paper and visible to the naked eye.

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These **First Party Terms and Conditions** apply to the **Business Property Coverage Part**, the **Business Crime Coverage Part**, as applicable, and their associated forms and endorsements.

I. ABANDONMENT

There can be no abandonment of any **covered property** to the Insurer unless the Insurer specifically agrees to such abandonment in writing.

II. APPRAISAL

If the **Named Insured** and the Insurer fail to agree on the amount of loss for physical damage or **business income** or **extra expense**, either may make a written demand for appraisal in which case within 30 days of that written demand each shall select an appraiser and shall notify the other of its chosen appraiser. This **APPRAISAL** Condition is not available to the **Named Insured** or the Insurer if there is a dispute as to whether the loss or damage was caused in whole or in part by a **covered peril**. This **APPRAISAL** Condition is not available if there is a dispute as to whether or not the loss is covered in whole or in part under this **coverage part**.

An individual may be chosen as an appraiser for a claim only if such individual is a competent, independent and disinterested person and who has no direct or indirect financial interest in the loss or the adjustment of the claim. That appraiser cannot be:

- A. the **Named Insured** or any of the **Named Insured's** employees or agents (including any public adjuster or public adjusting company hired by the **Named Insured**);
- B. employed by the Insurer; or
- C. an independent adjuster hired by the Insurer for such claim.

The appraisers will first select a competent, independent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days then, only on the joint request of the **Named Insured** and the Insurer to a court of competent jurisdiction where the loss occurred, the **Named Insured** and the Insurer may request that the court select or appoint a competent, independent and disinterested umpire.

If the **Named Insured** and the Insurer fail to agree to submit a joint request to a court of competent authority, either may file the necessary documents in a court of competent jurisdiction where the loss occurred to compel the other to comply with the terms of this **APPRAISAL** provision.

The appraisers will then appraise, within a reasonable amount of time, the amount of loss, stating separately, as applicable:

- 1. the **actual cash value** or **replacement cost** as of the date of loss and the amount of loss, for each item of physical loss or damage; and
- 2. the amount of loss for each **time element coverage**.

If the appraisers fail to agree, they will submit their differences to the umpire. An award agreed to in writing by any two will determine the amount of loss and that award will be binding on both parties but such appraisal award will not determine whether the loss is covered. Any appraisal award addressing whether or not a loss is or is not covered is void and is not binding on either party to the appraisal.

The **Named Insured** and the Insurer will each:

- a. pay its chosen appraiser; and
- b. bear equally the other expenses of the appraisal and umpire.

A demand for appraisal shall not relieve the **Named Insured** of its continuing obligation to comply with all of the terms and conditions of this Policy.



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The Insurer will not be held to have waived any of its rights by any act relating to an appraisal. If there is an appraisal, the Insurer will still retain its right to deny the claim or challenge whether the damages from any loss are covered or otherwise excluded.

The **Named Insured** may only make a written demand for appraisal if the **Named Insured** has fully complied with all provisions of this Policy.

III. COMPLIANCE

No one may make a claim under the **Business Property Coverage Part** unless:

- A. there has been full compliance with all of the provisions of the **Business Property Coverage Part**; and
- B. the claim for coverage is brought within 2 years and 1 day after the date on which the direct physical loss or damage occurred.

IV. CONCEALMENT, MISREPRESENTATION AND FRAUD

This entire Policy shall be void if, whether before or after a loss, the **Named Insured** or designated representative:

- A. has concealed or misrepresented any material fact or circumstance concerning:
 - 1. this insurance or the subject thereof;
 - 2. the interest of the **Named Insured** therein; or
 - 3. any claim; or
- B. has falsely sworn to any such material fact or circumstance.

V. CONTROL OF PROPERTY

Any act or neglect by any person, other than a **Named Insured** designated representative, of any provision of these conditions or the **Business Property Coverage Part**, will not affect coverage. Breach of any condition of coverage at one or more **locations** or **reported unspecified locations** will not affect coverage at any other **building** where, at the time of loss or damage, the breach of condition did not exist.

VI. DUTIES AFTER LOSS OR DAMAGE

In the event of loss or damage, the **Named Insured** shall do the following:

- A. Take all necessary steps to protect the property from further loss or damage.
- B. Set aside the damaged **insured property** for examination by the Insurer as often as may be required and keep a record of its expenses necessary to protect **insured property**.
- C. As soon as practical, give written notice to the Insurer, or its designated representative, of the event giving rise to the loss or damage, including the date and time of such event, what occurred and the names and addresses of witnesses.
- D. Within 60 days after being requested by the Insurer, render to the Insurer a detailed, sworn proof of loss on a form provided by the Insurer;
- E. As often as may be reasonably required, exhibit to any person designated by the Insurer all that remains of any damaged or undamaged property and permit the Insurer to take samples of such property for inspection and analysis.
- F. Submit individually to examinations under oath at the Insurer's request and, if requested and identified by the Insurer, make its designated representatives, including, but not limited to, public adjusters, claims consultants,

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forensic accountants or other third parties providing claims related services, submit to examinations under oath, and give the Insurer a signed statement of each individual's answers.

- G. As may be reasonably required, produce for examination at the request of the Insurer all books of account, business records, bills, invoices and other vouchers, or certified copies thereof if originals have been lost, at such reasonable time and place as may be designated by the Insurer or its authorized representative, and permit extracts and copies thereof to be made.
- H. Cooperate with the Insurer in the investigation of any claim.
- I. Notify law enforcement authorities, if the **Named Insured** has reason to believe that any loss or damage involves a violation of law.

VII. LOSS PAYMENT

- A. Unless otherwise specified in this Policy, in the event of covered loss or damage to **covered property**, at the Insurer's option, the Insurer will either:
 - 1. pay the amount of loss or damage;
 - 2. pay the cost of repairing or replacing such **covered property**;
 - 3. take all or any part of the **covered property** at an agreed or appraised value; or
 - 4. repair or replace the **covered property** with other property of like kind and quality.
- B. If the Insurer elects to exercise option **A.3.** above with respect to any branded or labeled **merchandise** or **finished stock**, the **Named Insured** may:
 - 1. Stamp salvage on their **merchandise** or **finished stock**, or its containers, if the stamp will not physically damage the **merchandise** or **finished stock**; or
 - 2. Remove the brands or labels, if doing so will not physically damage the **merchandise** or **finished stock**. The **Named Insured** must re-label the **merchandise** or **finished stock** or its containers, to comply with the law.
- C. The Insurer will determine the value of such **covered property**, or the cost of its repair or replacement, in accordance with the **VALUATION** Condition.
- D. The Insurer will not pay more than the **Named Insured's** financial interest in the **covered property**.
- E. The Insurer, at the Insurer's expense, may elect to defend the **Named Insured** against suits arising from claims of owners of **covered property**.
- F. If the **Named Insured** has complied with all of the terms and conditions of this Policy, the Insurer will pay amounts due hereunder within 60 days after it receives an acceptable sworn proof of loss provided that the Insurer and **Named Insured** have reached agreement on the amount of loss or damage or an appraisal award has been made. Such payments will be made to the **First Named Insured**, subject to the **LOSS PAYEES AND MORTGAGEES** Condition below. However, the payment for loss or damage to **personal property of others** may be to the account of the owner of the property.

Covered **Debris Removal Costs and Expenses** and **Debris Removal – Additional Costs and Expenses** in the **Fees, Costs and Expenses Coverages** provision under the **LOCATION COVERAGES** section of the **Business Property Coverage Part** will be paid by the Insurer provided all such costs are reported to the Insurer in writing within 180 days of the **occurrence**.



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VIII. LOSS PAYEES AND MORTGAGEES

A. Loss Payees

If there is loss of or damage to **insured property**, in which the **Named Insured** and any Loss Payee, whether or not named in the **Schedule of Loss Payees or Mortgagees**, have an insurable interest:

1. the Insurer will adjust losses with the **Named Insured**, and
2. make payments jointly to the **Named Insured** and such Loss Payee, in their order of precedence, in accordance with the Loss Payee's financial interest in the applicable property.

If the Insurer pays such Loss Payee, such payments will satisfy the **Named Insured's** claims against the Insurer for that Loss Payee's property. The Insurer will not pay such owners more than their financial interest in the **insured property**.

B. Lender Loss Payees and Mortgagees

1. As used in this Section:
 - a. a Lender Loss Payee is any creditor who is shown on the **Schedule of Loss Payees or Mortgagees** as a Lender Loss Payee and whose interest in **insured property** is established by a written instrument including warehouse receipts, bills of lading, financing statements or security agreements;
 - b. a Mortgagee is any mortgagee or trustee who is shown on the **Schedule of Loss Payees or Mortgagees** as a Mortgagee with respect to the **real property** for which the mortgagee or trustee is named.
2. The Insurer will pay for covered loss or damage to each specified Lender Loss Payee or Mortgagee, in order of precedence, in accordance with the Lender Loss Payee's or Mortgagee's financial interest in the applicable property.
3. Each Lender Loss Payee and Mortgagee has the right to receive loss payment, even though:
 - a. the Insurer denied the **Named Insured's** claim because the **Named Insured** failed to comply with the terms of this Policy; or
 - b. such Lender Loss Payee or Mortgagee has started foreclosure or similar action on the **insured property**, provided such loss payee:
 - i. pays any premium due under this **Business Property Coverage Part** at the Insurer's request if the **Named Insured** has failed to do so;
 - ii. submits a signed, sworn proof of loss in accordance with the requirements of this Policy; and
 - iii. has notified us of any change in ownership, or substantial change in risk known to such Lender Loss Payee or Mortgagee.

If these requirements are met, all of the terms of this **Business Property Coverage Part** will then apply directly to such Lender Loss Payee or Mortgagee.

4. With respect to any Lender Loss Payees or Mortgagees:
 - a. The Insurer may cancel this Policy, including the interest of any Lender Loss Payee or Mortgagee, by giving such Lender Loss Payee or Mortgagee, or its agent, written notice:
 - i. 10 days prior to the effective date of cancellation, if cancellation is for nonpayment of premium; or
 - ii. 60 days prior to effective date of cancellation, if cancellation is for any other reason.

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- b. If a loss hereunder is made payable, in whole or in part, to a designated Lender Loss Payee or Mortgagee not named in this Policy, that interest may be cancelled by giving to such loss payee 10 days written notice of cancellation.
- c. If the Insurer pays the Lender Loss Payee or Mortgagee for loss under this **Business Property Coverage Part**, and denies payment to the **Named Insured**, the Insurer will, to the extent of the payment made to such Lender Loss Payee or Mortgagee, be subrogated to all the rights of the Lender Loss Payee or Mortgagee. However, any subrogation by the Insurer will not impair the right of such Lender Loss Payee or Mortgagee to recover the full amount of its claim. At the Insurer's option, the Insurer may pay the whole principal of the **Named Insured's** debt plus accrued interests. In this event, the **Named Insured** will pay its remaining debt to the Insurer.
- d. If the **Named Insured** fails to provide proof of loss, the Lender Loss Payee or Mortgagee, upon notice, will render proof of loss within 60 days of notice and will be subject to the provisions contained in this **First Party Terms and Conditions** and **Common Terms and Conditions** relating to **APPRAISAL, LOSS PAYMENT** and **NO SUIT AGAINST INSURER**.

C. Mortgagee Loss Payee

With respect to any Mortgagee as defined above, the interest of the Mortgagee in **real property** will not be invalidated by:

- 1. any act or neglect of the mortgagor or owner of the **real property**;
- 2. foreclosures, notice of sale, or similar proceeding with respect to the **real property**;
- 3. change in the title or ownership of the **real property**; or
- 4. change to an occupancy more hazardous than was represented by the **Named Insured**.

D. Contract of Sale Loss Payee

A Contract of Sale Loss Payee is a person or entity who is shown on the **Schedule of Loss Payees or Mortgagees** and with whom the **Named Insured** has entered a contract for the sale of **insured property**; provided that for such **insured property** in which both the **Named Insured** and such Contract of Sale Loss Payee have an insurable interest, the Insurer will:

- 1. adjust losses with the **Named Insured**; and
- 2. pay any claim for loss or damage jointly to the **Named Insured** and such Contract of Sale Loss Payee, as interests may appear.

E. Building Owner Loss Payee

- 1. A Building Owner Loss Payee is the person or entity who is shown on the **Schedule of Loss Payees or Mortgagees** and is the owner of the described **building** in which the **Named Insured** is a tenant.
- 2. Loss or damage to such **building** will be adjusted with such Building Owner Loss Payee. Any loss payment made to such Building Owner Loss Payee will satisfy the **Named Insured's** claims against the Insurer for such Building Owner Loss Payee property.
- 3. Loss or damage to **tenant's improvements and betterments** will be adjusted with the **Named Insured** unless the written lease agreement provides otherwise.

IX. NO BENEFIT TO BAILEE

This insurance shall in no way inure directly or indirectly to the benefit of any transportation carrier or bailee.



CNA PARAMOUNT

First Party Terms and Conditions

X. OTHER INSURANCE

- A. If the **Named Insured** has other insurance covering the same loss or damage, the Insurer will pay on the least of the following amounts:
1. any Limit of Insurance applicable to the **covered property** that has sustained such loss or damage;
 2. the amount of covered loss or damage in excess of the amount due from that other insurance, whether the **Named Insured** can collect on it or not, without application of deductible amounts contained elsewhere in this **coverage part**; or
 3. the amount the Insurer would have paid had such other insurance not existed.
- B. Paragraph A. above does not apply to other insurance that is purchased as insurance in excess of the Limit of Insurance under this **coverage part**.

XI. POLICY PERIOD/COVERAGE TERRITORY

The Insurer will cover loss or damage commencing during the **policy period** of this Policy and within the **coverage territory** unless otherwise specified.

XII. RECOVERED PROPERTY

If either the **Named Insured** or Insurer recover any property after loss settlement, that party must give the other prompt notice. At the **Named Insured's** option, the property (other than **money** or **securities**) will be returned to the **Named Insured**. The **Named Insured** must then return to the Insurer the amount it paid to the **Named Insured** for the **covered property**. The Insurer will pay recovery expenses and the expenses to repair the recovered **covered property**, subject to the Limit of Insurance.

With respect to **money** or **securities**, any recoveries, less the cost of obtaining them, made after settlement of loss or damage covered by this **coverage part** will be distributed:

- A. first to the **Named Insured**, until the **Named Insured** is fully reimbursed for any loss or damage that the **Named Insured** sustains that exceeds the Limit of Insurance and the Deductible amount, if any;
- B. then to the Insurer, until the Insurer is reimbursed for the settlement made; and
- C. then to the **Named Insured**, until the **Named Insured** is reimbursed for that part of the loss or damage equal to the Deductible amount, if any.

Recoveries do not include any recovery:

1. from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
2. of original **securities** after duplicates of them have been issued.

XIII. RESUMPTION OF OPERATIONS

The Insurer will reduce the amount of **business income** and **research and development business income** loss payments to the extent that the **Named Insured** could resume **operations** or research and development projects in whole or in part:

- A. by using damaged or undamaged property, including **stock**; or
- B. by using any other premises.

Solely with respect to **suspension of operations** caused by direct physical loss of or damage to a **dependent property**, the Insurer will reduce the amount of **business income** loss payment to the extent the **Named Insured** could resume the **Named Insured's operation**, in whole or in part, by using any other available sources of materials or outlets for the **Named Insured's** products or services available to the **Named Insured**.



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XIV. SALVAGE AND RECOVERIES

All salvages, recoveries, and payments, excluding proceeds from subrogation and other insurance, recovered or received prior to a loss settlement under this Policy, shall reduce the loss accordingly. If recovered or received subsequent to a loss settlement under this Policy, such net amounts received shall be divided between the interests concerned in the proportion of such respective interests.

XV. SUSPENDED EQUIPMENT

The Insurer, or any of the Insurer's representatives, has the right to suspend the insurance provided for **covered equipment** from an **equipment breakdown peril** when the equipment is found to be in, or exposed to, a dangerous condition, provided that the Insurer, or any representative, has:

- A. told the **Named Insured** of the dangerous condition immediately upon discovering it and informed the **Named Insured** of the suspension of coverage; and
- B. mailed or delivered a notice of the suspension to the **First Named Insured's** last known address or the address where the **covered equipment** is located.

The **Named Insured** will get a pro-rata refund of premium for the suspended insurance. However, the suspension will be effective even if the Insurer has not yet made or offered a refund. Reinstatement can only be effected by a written endorsement issued by the Insurer.

XVI. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE INSURER

If the Insurer pays a claim under this Policy, it will be subrogated, to the extent of such payment, to all the **Named Insured's** rights of recovery from other persons, organizations and entities. The **Named Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Named Insured** shall do nothing to prejudice such rights.

The Insurer will have no rights of subrogation against:

- A. any person or entity who or which is a **Named Insured**;
- B. any subsidiary or any entity associated with the **Named Insured** through ownership or management;
- C. any other person or entity that the **Named Insured** waived its rights of subrogation against in writing before the time of loss.

XVII. VACANCY

If a **building** where loss or damage occurs has not been used by the **Named Insured** to conduct its normal business for more than 60 consecutive days before such loss or damage occurs, the Insurer will not pay for any loss or damage caused by any of the following even if they are **covered perils**:

- A. vandalism;
- B. sprinkler leakage, unless the **Named Insured** has protected the system against freezing;
- C. **building** glass breakage;
- D. **water damage**;
- E. **theft** or attempted **theft**.

With respect to all other **covered perils**, the Insurer will reduce the amount that would otherwise be paid for the loss or damage by 15%.



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First Party Terms and Conditions

If the **Named Insured's** normal **operation** is leasing property to others, a vacant **building** will be subject to this condition if the **Named Insured** has ceased actively leasing the **building** or has cut-off power, heat and water utility services to the **building**.

Buildings under active construction or active renovation are not considered vacant.

XVIII. VALUATION

A. Except as provided in Paragraph B. below, and subject to all applicable Limits of Insurance, the Insurer will not pay more than the lesser of the following:

1. the **replacement cost**; or
2. the actual cost to repair or replace **covered property**.

If the **Named Insured** does not repair or replace the **covered property**, or the repair or replacement exceeds 24 months from the date of loss or damage unless a longer time frame is agreed to by the Insurer, the Insurer will pay the **actual cash value** of such property.

If the **Named Insured** commences repair or replacement of such **covered property** and completes it within 24 months from the date of loss or damage, or such agreed to longer period, the Insurer will pay the difference between the **actual cash value** previously paid and the lesser of Paragraphs 1. or 2. above.

B. With respect to the following **covered property**, the Insurer will not pay more than the following amounts:

1. **Accounts receivable**: for **records of account receivable** for which duplicates do not exist, the full cost to research and reproduce such records plus the cost of the blank materials on which they reside. For **records of accounts receivable** for which duplicates do exist, the cost of the labor to transcribe or copy such records, plus the cost of the blank materials on which they reside.

If the **Named Insured** cannot accurately establish the amount of accounts receivable outstanding at the time of loss of or damage to the **records of accounts receivable**, the following method will be used:

- a. determine the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
- b. adjust that average monthly amount for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the monthly average.

The following will be deducted from the total amount of accounts receivable, however that amount is established:

- i. the amount of the accounts receivable for which there is no loss or damage;
- ii. the amount of the accounts receivable that the **Named Insured** is able to re-establish or collect;
- iii. an amount to allow for probable bad debts that the **Named Insured** is normally unable to collect; and
- iv. all unearned interest and service charges.

2. **Personal property** that is leased or rented from others, **personal property of others** and nonowned trailers: the lesser of the following:

- a. the amount for which the **Named Insured** is liable under the written contract for such property;
- b. the actual cost to repair such property; or
- c. the **replacement cost**.

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3. **Fine arts:** the appraised **market value** as of the time, and at the place, of loss or damage. In case of loss to any part of a pair or set, the Insurer may:
 - a. repair or replace any part to restore the pair or set to its value before the loss; or
 - b. pay the difference between the value of the pair or set before and after the loss.
4. **Glass: replacement cost,** including the costs and expenses incurred to put up temporary plates or board up openings and to remove or replace obstructions when repairing or replacing glass that is part of a **building**, but not including the removal or replacement of window displays.
5. **Goods in process:** the value of **raw stock**, the **Named Insured's** labor expended and other materials incorporated and the cost to repurchase proprietary property licenses, plus the proper proportion of overhead charges.
6. **Media:** for **media** for which duplicates do not exist, the full cost incurred to research and reproduce a master copy of such **media** plus the cost of the blank materials on which it resides. For **media** for which duplicates do exist, the cost incurred for the labor to transcribe or copy such **media**, plus the cost of the blank materials on which it resides.

If the **media** is not reproduced or replaced, the loss will be valued at the cost to replace the blank material on which the **media** resides with substantially identical type of such blank materials.
7. **Merchandise** which has been sold and not delivered and **finished stock:** the regular cash selling price, less all costs to complete the sale and discounts and charges to which such **finished stock** or **merchandise** would have been subject had no loss or damage occurred.
8. **Money or securities:**

Money: only up to and including its face value.

Securities: only up to and including their value at the close of business on the day the loss was **discovered**.
9. **Outdoor trees, shrubs, plants or lawns:** the reasonable and necessary costs of a qualified contractor to remove the damaged tree, shrub, plant or lawn from the **location** or **reported unspecified location** and the replacement of such property with similar type, size and quality as the damaged property including reasonable repairing and replanting costs. No payment will be made for the replacement, repairing or replanting of such property until the repairing, replacement and replanting is completed. Damaged **outdoor trees, shrubs, plants or lawns** not replaced within 12 months from the date of the loss have no value.
10. Property for sale, other than **stock** or **merchandise**, the lesser of the:
 - a. **replacement cost;**
 - b. the selling price; or
 - c. **actual cash value.**
11. Property in transit:
 - a. Property under invoice, at the actual invoice cost, including prepaid freight, together with such cost and charges since shipment as may have accrued and become legally due thereon.
 - b. Property not under invoice, in accordance with the valuation provisions of this Policy, less any charges saved which would have become due and payable upon delivery at destination.
12. **Research and development project property:** the actual cost necessary to:
 - a. research, recreate, repair or replace the **research and development project property**, including the cost of materials and supplies; and



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- b. research, recreate or reproduce information, on any format, documenting that lost or damaged **research and development project property** as of the date of such loss or damage.

However, the Insurer will only pay for these costs if the **Named Insured** repairs, replaces or recreates the **research and development project property**. Any **research and development project property** not repaired, replaced or recreated has no value. When production of a new product begins by anyone, the **research and development project property** for that product and all associated research and recreation costs have no value.

13. Tenant's improvements and betterments:

- a. **Replacement cost** if the **Named Insured** repairs or replaces with reasonable speed.
- b. A proportion of the **Named Insured's** original cost if the **Named Insured** does not repair or replace with reasonable speed. The Insurer will determine the proportionate value as follows:
 - i. multiply the original cost by the number of days from the date of the loss or damage to the expiration date of the lease; and
 - ii. divide that amount determined in Paragraph i. above by the number of days from the installation of the **tenant's improvements and betterments** to the expiration of the lease.

If the lease contains a renewal option, the expiration date of the renewal option period will be used as the expiration date of the lease.

- c. If others pay for the repairs or replacement, then the Insurer will only pay for that portion which has not been paid for by others.
14. Vehicles or self-propelled machines (other than nonowned trailers), railroad rolling stock and contractor's equipment: at the lesser of the following for that lost or damaged property:
- a. applicable scheduled Limit of Insurance;
 - b. **actual cash value**;
 - c. cost to reasonably restore that property to its condition immediately before loss or damage; or
 - d. cost of replacing that property with used, but substantially identical property.

XIX. BUSINESS CRIME COVERAGE CONDITIONS

Solely with respect to crime coverage provided under the **Business Crime Coverage Part** and the **Employee Theft, Forgery or Alteration and Money and Securities Additional Coverages** under the **Business Property Coverage Part**, the following conditions apply:

A. Joint Named Insured

1. If the **Named Insured** or partner, proprietor, **member** or officer of that **Named Insured** has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every **Named Insured**.
2. An **employee** of any **Named Insured** is considered to be an **employee** of every **Named Insured**.
3. If any crime coverage is cancelled or terminated as to any **Named Insured**, a loss with respect to that **Named Insured** is covered only if the loss was **discovered** during the period of time in the **When Loss Must be Sustained and Discovered Condition** below. However, this extended period to **discover** loss terminates as to that **Named Insured** immediately upon the effective date of any other insurance obtained by that **Named Insured** replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss or damage sustained prior to its effective date.
4. In the event loss or damage is sustained by more than one **Named Insured**, the Insurer will not pay more than if the loss or damage was sustained by one **Named Insured**.





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First Party Terms and Conditions

B. Named Insured Sponsored Employee Benefit Plans

Any **employee benefit plan** shown under the **Business Property Coverage Part** Declarations or the **Business Crime Coverage Part** Declarations as included as an additional **Named Insured** are so included only with respect to **Employee Theft Coverage**.

In compliance with certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA):

1. If the **First Named Insured** is an entity other than an **employee benefit plan**, any payment made by the Insurer will be made jointly to the **First Named Insured** and to the **employee benefit plan** that sustained loss.
2. If two or more **employee benefit plans** are insured under this **coverage part**, any payment the Insurer makes for covered loss:
 - a. sustained by two or more **employee benefit plans**; or
 - b. of commingled funds or other property of two or more **employee benefit plans**,

is to be shared by each **employee benefit plan** sustaining loss in the proportion that the amount of insurance required for each such **employee benefit plan** under the Employee Retirement Income Security Act of 1974 (ERISA) bears to the total of such payments.
3. The **First Named Insured** must purchase a Limit of Insurance applicable to **Employee Theft Coverage** that is at least equal to the minimum amount required by ERISA for any **employee benefit plans**. If **employee benefit plans** are insured jointly with any other entity under this **coverage part** the limit must be at least equal to the minimum amount required by ERISA as if each **employee benefit plan** were insured independently. If, during this **policy period**, it is determined that the applicable Limit of Insurance as shown in the **Business Property Schedule of Coverages and Limits** or **Business Crime Schedule of Coverages, Limits and Deductibles** was less than the amounts required by ERISA on the effective date of this Policy, then, at the request of the **First Named Insured** during this **policy period**, and subject to the payment of any additional premium, the applicable Limit of Insurance may be amended to equal the minimum amount required by ERISA.
4. The deductible otherwise applicable to **Employee Theft Coverage** does not apply to loss sustained by any **employee benefit plan**.

C. New Employees/New Employee Benefit Plans**1. New Employees or Premises**

If, during this **policy period** the **Named Insured** establishes any additional **premises** or hires additional **employees**, any insurance afforded for **employees** and **premises** shall also apply to those additional **employees** and **premises**.

2. New Employee Benefit Plans

If any **employee benefit plan** is acquired by the **Named Insured** during the **policy period** that is:

- a. sponsored and approved by the **Named Insured**; and
- b. required to be bonded under the provisions of ERISA,

that **employee benefit plan** shall be included as a **Named Insured** under this **coverage part**.

D. Loss Covered Under This Insurance and Prior Insurance Issued by the Insurer or Any Affiliate of the Insurer

If the **Named Insured discovers** covered loss during the **policy period** resulting directly from an act or series of acts that took place partly during the **policy period** and partly during a **policy period** of any prior cancelled or



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terminated Policy that the Insurer or any affiliate issued to the **Named Insured** or any predecessor in interest, the most the Insurer will pay is the larger of the amount recoverable under this Policy or the prior Policy.

E. Loss Sustained During Prior Policy

1. If the **Named Insured**, or a predecessor in interest, sustained a loss that could have been recovered under a prior policy except that the time within which to **discover** the loss under such prior policy had expired, then the Insurer will pay for it under this Policy, provided:
 - a. this Policy became effective at the time of cancellation or termination of such prior Policy; and
 - b. the loss would have been covered by this Policy had it been in effect at the time of such loss.
2. The Limit of Insurance available under this Loss Sustained During Prior Policy Condition is part of, and not in addition to, the applicable Crime Coverage Limits of Insurance and is limited to the following:
 - a. when the prior policy was issued by the Insurer or any affiliate of the Insurer, the highest single Limit of Insurance of the amount recoverable under:
 - i. this Policy as of its effective date; or
 - ii. the prior policy had it remained in effect.
 - b. when the prior policy was not issued by the Insurer or any of its affiliates, the lesser of the single Limit of Insurance of the amount recoverable under:
 - i. this Policy as of its effective date; or
 - ii. the prior policy had it remained in effect.

F. Non-Cumulation of Limit of Insurance

Regardless of the number of years this Policy or similar insurance (whether issued on a "Loss Sustained" or "Loss Discovered" basis) issued by the Insurer remains in force or the number of premiums paid, the Limit of Insurance does not cumulate from one **policy period** to another **policy period**.

G. Ownership of Property; Interests Covered

The **money, securities** and **other property** covered under this **coverage part** is limited to such property:

1. that the **Named Insured** owns or leases;
2. that the **Named Insured** holds for others; or
3. owned and held by someone other than the **Named Insured** under circumstances which make the **Named Insured** responsible for the property prior to the time of loss.

Solely with respect to an **employee benefit plan**, the **money, securities** and **other property** covered under any crime coverage is limited to all funds or property that the **employee benefit plan** uses or may use as a source for the payment of benefits to plan participants or beneficiaries, as described by the Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and any regulations promulgated thereunder.

However, this insurance is for the **Named Insured's** benefit only. It provides no rights or benefits to any **clients** or to any other person or organization.

H. Termination of Coverage as Respects Acts of Any Employee

Coverage is terminated with respect to any **employee**:

1. immediately upon discovery of a dishonest act:

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- a. committed by that **employee** while employed by the **Named Insured**, or
- b. committed by that **employee** prior to becoming employed by the **Named Insured**, provided dishonest acts committed prior to becoming employed by the **Named Insured** resulted in a loss equal to or exceeding \$10,000,

provided that such discovery was made by the **Named Insured** or any of the **Named Insured's employees**, partners, proprietors, **members**, **managers**, officers, directors or trustees, not in collusion with the **employee** who committed such act, whether before or after becoming employed by the **Named Insured**.

- 2. on the date specified in the notice mailed to the **Named Insured**. That date will be at least 60 days after the date of mailing.

The Insurer will mail or deliver the notice to the **First Named Insured's** last mailing address known to the Insurer. If notice is mailed, proof of mailing will be sufficient proof of notice.

I. When Loss Must be Sustained and Discovered

Except as provided in the Loss Sustained During Prior Policy Condition, loss is covered only if sustained during the **policy period** and **discovered** no later than one year from the date of cancellation or expiration of the Policy. However, with respect to any **Named Insured** who obtains any other insurance replacing in whole or in part the insurance afforded by such crime coverages, regardless of whether such insurance is obtained during or after the **policy period**, this extended period to **discover** loss terminates immediately upon the effective date of such other insurance, whether or not such other insurance provides coverage for such crime loss sustained prior to its effective date.

J. Worldwide Coverage and Other Territory Changes

With respect to **Employee Theft Coverage**, coverage applies anywhere in the world for **employees** while temporarily outside the **coverage territory** for a period of 90 days or less.

With respect to **Forgery or Alteration Coverage** and **Computer Fraud Coverage**, coverage applies anywhere in the world.



CNA PARAMOUNT
Professional Services
Business Property Coverage Part Declarations

Policy Number: 6056872807

1. Named Insured and mailing address

Name: SOILS ENGINEERING SERVICES, INC.

Address: 12A MAPLE AVE

PINE BROOK, NJ 07058-9837

2. Limits of Insurance, Deductibles Waiting periods

See Business Property Schedule of Coverages and Limits
and Business Property Schedule of Locations

3. Premium, Surcharges Taxes and Fees at Issuance

Total Premium for this Coverage Part

New Jersey PLIGA Surcharge

Total Premium, Surcharges Taxes and Fees for this Coverage Part

Terrorism Risk Insurance Extension Act Premium

Your Premium includes the following amount to cover a fire loss that follows from a certified act of terrorism, even if certified acts of terrorism are otherwise excluded under this policy (statutorily required for locations in the Standard Fire Policy states of CA, GA, HI, IA, IL, MA, ME, MO, NC, NJ, NY, OR, RI, WI and WV) :

**CNA PARAMOUNT****Business Property Schedule of Coverages and Limits**

Policy Number: 6056872807

COVERAGES AND LIMITS

Coverages under the **Business Property Coverage Part** apply as shown below.

Limits of Insurance shown as Each Location apply separately for any one occurrence at each location identified in the **Business Property Schedule of Locations**, and at each reported unspecified location, if applicable. Limits of Insurance shown as Each Occurrence represent the total the Insurer will pay for any one occurrence for that coverage. However, if a particular coverage is shown as "Not Covered", then such coverage is not provided under this **Business Property Coverage Part**. If a different Limit of Insurance is shown for a particular coverage at a specific location, that Limit replaces, and is not in addition to, the Limit of Insurance shown for that coverage in the **Business Property Schedule of Coverages and Limits**, for that location.

SPECIFIED LOCATION COVERAGE AGREEMENT**LOCATION BASE COVERAGE:****Real Property Coverage****Personal Property Coverage****SEE THE SCHEDULE OF LOCATIONS****TIME ELEMENT COVERAGE:****Business Income Coverage****Extra Expense Coverage****SEE THE SCHEDULE OF LOCATIONS****FEES COSTS AND EXPENSES COVERAGES****Architects & Engineers and Other Professional Fees**

Included within the applicable Real Property or Personal Property Limit

Brands & Labels Costs and Expenses

Not Covered

Debris Removal Costs and Expenses

Included within the applicable Real Property or Personal Property Limit

Debris Removal:**Additional Costs and Expenses**

\$25,000 Each Location

Uncovered Property

Not Covered

Expediting Costs and Expenses

Not Covered

Green Insured Property:**Costs and Expenses**

Not Covered

Time Element

Not Covered

OFF-SITE COVERAGES**Deferred Payments Coverage**

Not Covered

Dependent Property Time Element Coverage

Not Covered

Installation Coverage

Not Covered

Mobile Computing Devices - Worldwide Coverage

Not Covered

**Property at Unspecified Locations Coverage –
Property Damage and Time Element Combined**

Not Covered

**Property in Transit Coverage – Property Damage and
Time Element Combined**

Not Covered

Worldwide Media and Accounts Receivable Coverage

Not Covered



CNA PARAMOUNT

Business Property Schedule of Coverages and Limits

Policy Number: 6056872807

ADDITIONAL COVERAGES

| | |
|--|--|
| Reported Unspecified Locations Real Property Personal Property Business Income Extra Expense | Not Covered |
| Research and Development Coverage: | |
| Research and Development Project Property | Not Covered |
| Research and Development Business Income | Not Covered |
| Theft Damage to Non Owned Building Coverage | Included within the applicable Personal Property Limit |
| Trees, Shrubs, Plants and Lawns Coverage | \$1,000 Each Item \$25,000 Each Location |
| Unintentional Errors or Omissions Coverage | Not Covered |
| Utility Supply Failure Coverage: | |
| Property Damage | Not Covered |
| Time Element | Not Covered |

ADDITIONAL COVERAGE BASKET

All coverages shown in the SCHEDULE below are part of the Additional Coverage Basket and subject to a combined single Each Location Limit of Insurance shown in the SCHEDULE below. Such Limit of Insurance applies separately for any one occurrence at each location identified in the Business Property Schedule of Locations, and at each reported unspecified location, if applicable, unless the Additional Coverage Basket is shown as "Not Covered" for any specific location. If a different Limit of Insurance is shown for Additional Coverage Basket at a specific location, that Limit replaces, and is not in addition to, the Limit of Insurance shown for Additional Coverage Basket below, for that location.

SCHEDULE

| | |
|---|------------------------|
| Accounts Receivable Coverage | \$25,000 Each Location |
| Fine Arts Coverage (subject to Per Item Limit of \$100,000) | |
| Fire Department Service Charge Coverage | |
| Lessee Leasehold Interest Coverage | |
| Lost Key Replacement Coverage | |
| Non Owned Detached Trailers Coverage | |
| Recharge of Fire Protection Equipment Coverage | |
| Restoration of Media Coverage | |
| Reward Payments Coverage | |



CNA PARAMOUNT

Business Property Schedule of Locations

Policy Number: 6056872807

Deductibles/Periods of Indemnity/ Percentages

The Property Deductible shown below applies to all loss, damage, cost or expense covered by the Business Property Coverage Part, unless a more specific deductible is shown in the SCHEDULE below or at a location shown in the Location and Coverage Schedule. If a Qualifying Period is shown below, then the qualifying period will apply to all Business Income and Research and Development Business Income Coverages.

| Monetary Deductibles | Deductible Amount or Percentage |
|----------------------|---------------------------------|
| Property Deductible | \$1,000 |

Location and Coverage Schedule

Real Property, Personal Property, Business Income or Extra Expense Coverage apply only to the extent shown for the locations described below.

Additional Coverages and Fees, Costs and Expenses Coverage that show an Each Location Limit of Insurance in the Business Property Schedule of Coverages and Limits, and the Additional Coverage Basket, apply at each location described below. If a different Limit of Insurance is shown for a particular coverage at a specific location, that Limit replaces, and is not in addition to, the Limit of Insurance shown for that coverage in the Business Property Schedule of Coverages and Limits, for that location. If a particular coverage does not apply at a specific location, that coverage will be shown as "Not Covered" at that location.

| Location Number | Location Address: |
|-----------------|--------------------------------------|
| 1 | 12A MAPLE AVE PINE BROOK NJ 07058 |

Location Base Coverages

| | |
|-------------------|-----------|
| Personal Property | \$600,000 |
| Extra Expense | \$100,000 |

**CNA PARAMOUNT****Schedule of Loss Payees or Mortgagees Endorsement**

It is understood and agreed that the following are added as Loss Payees (Clause A), Lender Loss Payees (Clause B), Mortgagees (including Trustees) (Clause B/C), Contract Sale Loss Payees (Clause D) Building Owner Loss Payees (Clause E) as described under the Section **LOSS PAYEES OR MORTGAGEES** of the **First Party Terms and Conditions**.

| Location Number | Name and Address of Loss Payee, Lender Loss Payee, Mortgagee, Building Owner Loss Payee, or Contract Sale Loss Payee |
|--------------------|---|
| | Not applicable |

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



**CNA PARAMOUNT****Business Property Coverage Part****TABLE OF CONTENTS****I. LOCATIONS COVERAGES****A. Location Base Coverages**

- | | |
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| 1. Real Property Coverage | Page 3 |
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B. Fees, Costs and Expenses Coverages

- | | |
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The following coverages apply to the extent shown in the **Business Property Schedule of Coverages and Limits** or the **Business Property Schedule of Locations**.

I. LOCATION COVERAGES

A. Location Base Coverage

1. Real Property Coverage

The Insurer will pay for direct physical loss of or damage to **real property** at a **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for such loss or damage is the applicable **Real Property Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations** at that **location**.

2. Personal Property Coverage

The Insurer will pay for direct physical loss of or damage to **personal property** at a **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for such loss or damage is the applicable **Personal Property Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations** at that **location**.

3. Time Element Coverage

a. Business Income Coverage

The Insurer will pay for the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations** caused by direct physical loss of or damage to property at a **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for such loss of **business income** is the applicable **Business Income Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations** at that **location**.

b. Extra Expense Coverage

The Insurer will pay **extra expense** caused by direct physical loss of or damage to property at a **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for such **extra expense** is the applicable **Extra Expense Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations** at that **location**.

c. Business Income and Extra Expense Coverage

If a **Business Income and Extra Expense Coverage** Limit of Insurance is shown in the **Business Property Schedule of Locations** at a **location**, the Insurer will pay for the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**, and **extra expense**, caused by direct physical loss of or damage to property at that **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for all such loss of **business income** and **extra expense** is the applicable **Business Income and Extra Expense Coverage** Limit of Insurance.

B. Fees, Costs and Expenses Coverages

If the Insurer pays for loss or damage to any **insured property** pursuant to any **Location Base Coverage** shown in Paragraph **A.** above, or at **reported unspecified locations**, the Insurer will also pay for the following reasonable and necessary fees, costs and expenses incurred by the **Named Insured** in connection with such

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covered loss or damage. The most the Insurer will pay for any of the following **Fees, Costs and Expenses Coverages** are the Limits of Insurance shown in the **Business Property Schedule of Coverages and Limits**. Limits for these coverages apply in addition to any other applicable Limits of Insurance, unless otherwise stated. Limits of Insurance applicable at a **location** that differ for a specific **location** will be shown in the **Business Property Schedule of Locations** for that **location**. Those Limits replace, and are not in addition to, the Limits of Insurance shown in the **Business Property Schedule of Coverages and Limits** for those specific coverages and **locations**. If any of these coverages do not apply at any specific **location**, the Limit of Insurance will show as Not Covered for those **locations**.

1. Architects & Engineers and Other Professional Fees

The Insurer will pay the fees incurred for the services of architects, engineers or construction consultants approved by the Insurer and resulting directly from the repair or replacement of such **insured property**.

The amount the Insurer will pay for such fees is included within the applicable **Real Property Coverage** or **Personal Property Coverage** Limits of Insurance.

2. Brands & Labels Costs and Expenses

In accordance with the **LOSS PAYMENT** Condition in the **First Party Terms and Conditions**, the Insurer will pay the costs and expenses incurred to remove the brands and labels from **merchandise** or **finished stock** and to stamp "salvage" on such **merchandise** or **finished stock** or its containers.

The amount the Insurer will pay for all such costs and expenses is included within the applicable **Personal Property Coverage** Limit of Insurance.

3. Debris Removal Costs and Expenses

The Insurer will pay the costs and expenses incurred to remove debris of **covered property** remaining after such loss or damage.

Debris Removal Costs and Expenses does not include the costs or expenses of removing, extracting or disposing of **contaminants or pollutants** from land or water.

The amount the Insurer will pay for all such costs and expenses is included within the remaining Limit of Insurance for the applicable **covered property** after payment of the covered physical loss or damage.

4. Debris Removal

a. Additional Costs and Expenses

If the amount incurred for the covered loss or damage to **covered property**, including **Debris Removal Costs and Expenses**, exceeds the applicable Limit of Insurance for such **covered property**, the Insurer will pay the remaining debris removal costs and expenses incurred.

The most the Insurer will pay for such remaining debris removal costs and expenses at any one **location** or **reported unspecified location** for any one **occurrence** is the **Debris Removal – Additional Costs and Expenses** Limit of Insurance.

b. Uncovered Property

If wind causes direct physical loss of or damage to **covered property**, the Insurer will also pay for the expense the **Named Insured** incurs to remove debris of uncovered property that is blown onto a **location** or **reported unspecified location** by wind and to remove debris of **outdoor trees, shrubs, plants or lawns** damaged by wind.

The most the Insurer will pay for uncovered property at any one **location** or **reported unspecified location** for any one **occurrence** is the **Debris Removal – Uncovered Property** Limit of Insurance.



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5. Expediting Costs and Expenses

The Insurer will pay the additional costs and expenses incurred for temporary repair of damage to **covered property** and the additional expenses incurred for expediting the permanent repair or replacement of such damaged **covered property**. However, the Insurer will not pay such costs and expenses if they are covered elsewhere in this **coverage part**.

The most the Insurer will pay for all such costs and expenses at any one **location** or **reported unspecified location** for any one **occurrence** is the **Expediting Costs and Expenses** Limit of Insurance.

6. Green Insured Property

a. Costs and Expenses

With respect to **green insured property**, the Insurer will pay the costs and expenses incurred:

- i. to reuse or salvage **building** materials and products;
- ii. to extract recyclable construction waste and transport it to recycling facilities instead of landfills but only to the extent they are not offset by any income derived from the recycling;
- iii. for the services of accredited architects or engineers approved by the Insurer in planning and designing the applicable **green insured property** qualifying repairs or rebuild;
- iv. to re-certify the repaired or replaced **insured property** through the applicable **green insured property** accreditation organization; and
- v. to flush-out the air in the repaired or rebuilt **green insured property** and replace it with outside air ventilated through an air filtration system included as part of the repaired or replaced **green insured property**.

The amount the Insurer will pay for all such costs and expenses is included within the applicable **Real Property Coverage** or **Personal Property Coverage** Limits of Insurance.

b. Time Element

To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will pay, as provided, for loss of **business income** or **extra expense** arising out of extra time required to re-qualify, repair or rebuild the **green insured property**, including:

- i. additional costs to obtain power from a public utility for **covered equipment** that uses solar, wind, geo-thermal or other renewable resources to generate power. These additional costs will be paid until such time as such **green insured property** is repaired and operating; and
- ii. the monetary loss of rebates and credits the **Named Insured** receives from the public utility company for surplus power the **Named Insured's** renewable resources provide into the utility's power grid.

The amount the Insurer will pay for such all such loss and expense is included within the applicable **time element coverage** Limit of Insurance.

c. This **Green Insured Property Coverage** does not apply to:

- i. **green insured property** for which the basis of valuation is other than **replacement cost**; or
- ii. costs or expenses to upgrade the damaged **green insured property** to green standards beyond those that existed in the damaged **green insured property** at the time of loss or damage.

II. OFF-SITE COVERAGES

The following **OFF-SITE COVERAGES** apply as shown in the **Business Property Schedule of Coverages and Limits**, up to the applicable Limit of Insurance shown. If a specific **Location Base Coverage** is not provided elsewhere in this **Business Property Coverage Part**, there is no coverage under its corresponding **OFF-SITE**





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COVERAGE. For example, if the **Named Insured** does not have coverage for **business income** under the **Location Base Coverages**, then there is no such coverage related to **business income** under any of the **OFF-SITE COVERAGES**. Limits for these **OFF-SITE COVERAGES** apply in addition to any other applicable Limits of Insurance, unless otherwise stated.

A. Deferred Payments Coverage

1. The Insurer will pay the **Named Insured's** financial interest in **personal property** sold on an installment, conditional sale or other deferred payment basis. The Insurer will make such payments only if such **personal property** suffers direct physical loss or damage due to a **covered peril** after delivery to the purchaser, and only if the **Named Insured** is unable to collect after making all reasonable efforts to do so.
2. The most the Insurer will pay for such payments under this **OFF-SITE COVERAGE** for any one **occurrence** is the lesser of the **Named Insured's** financial interest in such **personal property** or the **Deferred Payments Coverage** Limit of Insurance.

The Limit for this **OFF-SITE COVERAGE** is included in, and not in addition to, any other applicable Limits of Insurance.

B. Dependent Property Time Element Coverage

1. To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will pay, as provided, for:
 - a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;
 - b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and
 - c. **extra expense**,

caused by direct physical loss of or damage to property at a **dependent property** located anywhere in the world. The loss or damage must be directly caused by a **covered peril**.
2. The most the Insurer will pay for all loss and expense under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Dependent Property Time Element Coverage** Limit of Insurance.
3. The Insurer will not pay for loss of **business income** or **extra expense** caused by or resulting from earthquake or **flood** under this **OFF-SITE COVERAGE**, even if they are otherwise **covered perils**.

C. Installation Coverage

1. The Insurer will pay for direct physical loss of or damage to **installation property** directly caused by a **covered peril** while such **installation property** is at an **installation location** or a temporary warehousing premises:
 - a. awaiting and during installation, fabrication, erection, certifying, servicing or testing; or
 - b. awaiting acceptance by the purchaser.
2. The most the Insurer will pay for all loss or damage under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Installation Coverage** Limit of Insurance.
3. This **Installation Coverage** does not apply to loss or damage at any premises, **location** or **reported unspecified location** owned by the **Named Insured**, or to property in the due course of transit.
4. This **Installation Coverage** will end on the date when any of the following first occurs:
 - a. the Policy expires;
 - b. the **Named Insured's** insurable interest in the property ceases;



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- c. the installation, fabrication or erection project is accepted by the purchaser as complete; or
- d. the **Named Insured** abandons the installation, fabrication or erection project with no intention to complete it.

D. Mobile Computing Devices – Worldwide Coverage

1. The Insurer will pay for direct physical loss of or damage to **mobile computing devices** while outside the **coverage territory**, except within any country upon which the United States government has imposed sanctions, embargoes or similar prohibitions. The loss or damage must be directly caused by a **covered peril**.
2. The most the Insurer will pay for loss or damage under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Mobile Computing Devices – Worldwide Coverage** Limit of Insurance.

E. Property at Unspecified Locations Coverage – Property Damage and Time Element Combined

1. The Insurer will pay for direct physical loss of or damage to **insured property, research and development project property and fine arts** at an **unspecified location**, or while in the custody of a salesperson, directly caused by a **covered peril**.

The coverage provided for **fine arts** under this **OFF-SITE COVERAGE** is subject to the provisions of the **Fine Arts Coverage** in the **ADDITIONAL COVERAGE BASKET** section, except the requirement that such property be at a **location** or **reported unspecified location**.

2. To the extent **time element coverage** is applicable under this **Business Property Coverage Part**, the Insurer will pay, as provided, for:
 - a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;
 - b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and
 - c. **extra expense**,

caused by loss of or damage to **insured property, research and development project property and fine arts** at an **unspecified location** or while in the custody of a salesperson directly caused by a **covered peril**.

3. The most the Insurer will pay for all loss, damage or expense combined under this **OFF-SITE COVERAGE**:
 - a. at any one **unspecified location** for any one **occurrence** is the **Property at Unspecified Locations Coverage – Property Damage and Time Element Unspecified Location** Limit of Insurance.
 - b. for all **unspecified locations** for any one **occurrence**, regardless of the number of **unspecified locations** involved, is the **Property at Unspecified Locations Coverage – Property Damage and Time Element Unspecified Locations Combined** Limit of Insurance.
4. This **Property at Unspecified Locations Coverage** does not apply to:
 - a. property in transit, other than while in the custody of salespersons as described in Paragraph E.1. above;
 - b. property that is covered under the **Protection of Property Coverage** of the **ADDITIONAL COVERAGES** section.
5. The **Earth Movement** and **Flood** Excluded Perils under the **EXCLUSIONS** section do not apply only with respect to **unspecified locations** that the **Named Insured** does not own, operate or lease.

F. Property in Transit Coverage – Property Damage and Time Element Combined

1. The Insurer will pay for direct physical loss of or damage to **insured property, research and development project property, fine arts, media and records of accounts receivable** directly caused by a **covered peril**

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while in the course of transit from the time such property is being loaded at the initial point of shipment and continuously thereafter, until unloaded at the final destination, or if undeliverable, the time it is returned to the **location or reported unspecified location**, including:

- a. general average or salvage charges that are assessed; and
- b. reasonable and necessary expense the **Named Insured** incurs to inspect, repackage and reship such property.

The coverage provided for **fine arts, records of accounts receivable** and **media** under this **OFF-SITE COVERAGE** are subject to the provisions of the **Fine Arts Coverage, Accounts Receivable Coverage** and **Restoration of Media Coverage**, respectively, in the **ADDITIONAL COVERAGE BASKET** section, except the requirement that such property be at a **location or reported unspecified location**.

2. To the extent **time element coverage** is applicable under this **Business Property Coverage Part**, the Insurer will also pay, as provided, for:
 - a. actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;
 - b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and
 - c. **extra expense**,
caused by loss of or damage to **insured property, research and development project property, fine arts** and **media** while in the course of transit directly caused by a **covered peril**.
3. The most the Insurer will pay for all loss, damage or expense combined under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Property in Transit Coverage – Property Damage and Time Element** Limit of Insurance.
4. When neither the origin nor the destination is in any country upon which the United States government imposes sanction, embargoes or similar provisions, the following applies:
 - a. If the property is transported by an aircraft, the **coverage territory** is extended to be anywhere in the world for that property while in transit; or
 - b. If the property is transported by an oceangoing vessel, transit coverage ends when the property has been loaded on the oceangoing vessel and only commences when the property has been fully discharged from such vessel onto a point within the **coverage territory**.
5. This **Property in Transit Coverage** does not apply to:
 - a. import shipments until marine insurance coverage ceases;
 - b. **personal property of others** hauled on vehicles owned, leased or operated by the **Named Insured** when acting as a common or contract carrier, regardless of the **Named Insured's** liability for such property;
 - c. property sold by the **Named Insured** under conditional sale, trust agreement or installment payment after delivery to customers;
 - d. property shipped by common carrier or postal service unless such shipment is electronically tracked by such carrier or service; or
 - e. property while in the custody of salespersons.
6. In the event of any loss of or damage to **personal property** in transit, the **Named Insured** must immediately make a claim in writing against the carrier, bailee or others involved.



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7. The **Earth Movement** and **Flood** Excluded Perils under the **EXCLUSIONS** section do not apply with respect to this **OFF-SITE COVERAGE**.

G. Worldwide Media and Accounts Receivable Coverage

1. The Insurer will pay for direct physical loss of or damage to **media** and **records of accounts receivable** directly caused by a **covered peril** while such property is at a premises other than a **location** or **reported unspecified location**.
2. With respect to coverage provided under this **OFF-SITE COVERAGE**, the **coverage territory** is extended to be anywhere in the world, except within any country upon which the United States government has imposed sanctions, embargoes or similar prohibitions.
3. The most the Insurer will pay for all loss or damage under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Worldwide Media and Accounts Receivable Coverage** Limit of Insurance.
4. The **Earth Movement** and **Flood** Excluded Perils under the **EXCLUSIONS** section do not apply under this **OFF-SITE COVERAGE**, but only when such property is at premises that the **Named Insured** does not own, operate or lease.

III. ADDITIONAL COVERAGES

The following **ADDITIONAL COVERAGES** apply up to the applicable Limit of Insurance shown under the **Business Property Schedule of Coverages and Limits**. If a particular coverage is shown as Not Covered then such coverage is not provided under this **Business Property Coverage Part**.

Limits of Insurance for an **ADDITIONAL COVERAGE** that differ at any specific **location** will be shown under the **Business Property Schedule of Locations** for that **location**. Those Limits of Insurance replace, and are not in addition to, the Limit of Insurance shown for that **ADDITIONAL COVERAGE** in the **Business Property Schedule of Coverages and Limits**. If any **ADDITIONAL COVERAGE** does not apply at a specific **location**, that **ADDITIONAL COVERAGE** will be shown as Not Covered at that **location**.

If a specific **Location Base Coverage** is not provided at a **location** or at **reported unspecified locations** in this **Business Property Coverage Part**, there is no coverage under its corresponding **ADDITIONAL COVERAGE**. For example, if the **Named Insured** does not have a **Location Base Coverage** for **business income** for one or more **locations** or **reported unspecified location**, then there is no coverage related to **business income** under any of the **ADDITIONAL COVERAGES** for **business income**.

Limits for these **ADDITIONAL COVERAGES** apply in addition to any other applicable Limits of Insurance, unless otherwise stated.

A. Contaminants or Pollutants Clean Up and Removal Coverage – Property Damage and Time Element Combined

1. The Insurer will pay for the reasonable costs and expenses to extract or remove **contaminants or pollutants** from land or water at a **location** or **reported unspecified location**, provided such **contaminants or pollutants** are in the land or water as a direct result of a **covered peril**. These costs and expenses include the costs and expenses to test for, monitor or assess the existence, concentration or effects of **contaminants or pollutants**.

The Insurer will pay these costs and expenses only if reported to the Insurer within 180 consecutive days of the date on which the **covered peril** occurs.

2. To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will also pay, as provided, for:
 - a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

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b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

c. **extra expense**,

as a result of compliance with an ordinance or law that requires the clean up or removal of **contaminants or pollutants** from land or water at a **location** or **reported unspecified location** as a direct result of a **covered peril**.

3. The most the Insurer will pay for all loss, cost or expense combined under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Contaminants or Pollutant Clean Up and Removal Coverage – Property Damage and Time Element Combined** Limit of Insurance.

B. Contamination by a Refrigerant Coverage

1. The Insurer will pay for direct physical loss of or damage to **personal property** caused by the release or escape of refrigerants from any refrigeration equipment at a **location** or **reported unspecified location** provided the release or escape was not caused by or resulting from earthquake or **flood**, even if those are otherwise **covered perils**.

2. The most the Insurer will pay for loss or damage under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Contamination by a Refrigerant Coverage** Limit of Insurance.

The Limit for this **ADDITIONAL COVERAGE** is included in, and not in addition to, any other applicable **Personal Property Coverage** Limit of Insurance.

3. The **Contaminants or Pollutants Excluded Peril** under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

C. Contractual Penalties Coverage

1. The Insurer will pay for contractual penalties specified in a written contract that the **Named Insured** incurs for material breach of the terms of such contract where such breach is the result of direct physical loss of or damage to **covered property** directly caused by a **covered peril**.

2. The most the Insurer will pay for such contractual penalties under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Contractual Penalties Coverage** Limit of Insurance.

D. Denial of Access Coverage

To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the following coverages apply at the **location** or **reported unspecified location** where the **suspension** or delay of **operations** occurs:

1. Civil Authority

a. For up to the number of days shown on the **Business Property Schedule of Coverages and Limits**, the Insurer will pay, as provided, for:

i. The actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

ii. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of the research and development projects; and

iii. **extra expense**,



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caused by action of civil authority that prohibits access to the **location** or **reported unspecified location**. Such action must result from a civil authority's response to direct physical loss of or damage to property located away from a **location** or **reported unspecified location**. That lost or damaged property must be within five miles of that **location** or **reported unspecified location** which sustains a **business income** or **research and development business income** loss or where **extra expense** is incurred. The loss or damage must be directly caused by a **covered peril**.

- b. The amount the Insurer will pay for all loss or expense under this **Civil Authority Coverage** is included within the applicable **time element coverage** Limit of Insurance.
- c. However, to the extent the covered **Civil Authority Coverage** loss or expense is caused by or resulting from:
 - i. **flood**, the amount payable under this **Civil Authority Coverage** is included within, and not in addition to, the applicable Flood Limit of Insurance.
 - ii. earthquake, the amount payable under this **Civil Authority Coverage** is included within, and not in addition to, the applicable Earthquake Limit of Insurance.

2. Ingress/Egress

- a. The Insurer will pay, as provided, for:
 - i. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;
 - ii. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of the research and development projects; and
 - iii. **extra expense**,

when ingress or egress by the **Named Insured's** suppliers, customers or employees to or from the **location** or **reported unspecified location** is physically obstructed due to direct physical loss or damage. The actual loss of **business income** or **research and development business income** sustained, or **extra expense** incurred, by the **Named Insured** must be caused by direct physical loss of or damage to property not owned, occupied, leased or rented by the **Named Insured** or insured under this **Business Property Coverage Part**. That property must be located within five miles of such **location** or **reported unspecified location**. The obstruction cannot be the result of an action of civil authority that prohibits access to that **location** or **reported unspecified location**. The loss or damage must be directly caused by a **covered peril**.

- b. The most the Insurer will pay for all loss or expense under this **Ingress/Egress Coverage** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Ingress/ Egress Coverage** Limit of Insurance.
- c. However, to the extent the covered **Ingress/Egress Coverage** loss or expense is caused by or resulting from:
 - i. **flood**, the amount payable under this **Ingress/Egress Coverage** is included within, and not in addition to, the applicable Flood Limit of Insurance.
 - ii. earthquake, the amount payable under this **Ingress/Egress Coverage** is included within, and not in addition to, the applicable Earthquake Limit of Insurance.

E. Electronic Vandalism Coverage – Property Damage and Time Element Combined

- 1. The Insurer will pay for loss of or damage to **media, electronic data processing equipment, research and development project property** and **records of accounts receivable** caused by or resulting from **electronic vandalism** originating anywhere in the world.

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Business Property Coverage Part

2. To the extent **time element coverage** is applicable, the Insurer will also pay, as provided, for:
 - a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay in **operations**;
 - b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and
 - c. **extra expense**,
 directly caused by **electronic vandalism**.
3. The Insurer will not pay for **electronic vandalism** loss caused by or resulting from any deliberate, dishonest, fraudulent or criminal acts committed by or on behalf of, or at the direction of, any **executive officer**.
4. The most the Insurer will pay for all loss, damage or expense combined under this **ADDITIONAL COVERAGE** in the **policy period** is the **Electronic Vandalism Coverage – Property Damage and Time Element Combined** Aggregate Limit of Insurance.
5. The **Electronic Vandalism** and **Dishonest Acts** Excluded Perils under the **EXCLUSIONS** section do not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

F. Employee Theft Coverage

1. The Insurer will pay for loss of or damage to **personal property, money, securities and fine arts** as a direct result of **employee theft**.
2. The Insurer will not pay for such loss:
 - a. caused by any **employee** of the **Named Insured**, or predecessor in interest of the **Named Insured**, for whom similar prior insurance was cancelled and not reinstated since the last such cancellation.
 - b. if the proof of existence or amount is dependent upon an inventory computation or a profit and loss computation. However, where the **Named Insured** establishes wholly apart from such computations that it has sustained such loss or damage, then it may offer its inventory records and actual physical count of inventory in support of the amount claimed.
 - c. resulting directly or indirectly from trading, whether in the **Named Insured's** name or in a genuine or fictitious account.
 - d. resulting from fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or bill of lading or any papers connected with either.
3. The most the Insurer will pay for all loss or damage under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Employee Theft Coverage** Limit of Insurance.
4. The **Dishonest Acts** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

G. Equipment Breakdown - Spoilage Coverage

1. The Insurer will pay for direct physical loss of or damage to **personal property** directly caused by the loss of or changes in any artificially maintained or generated temperature, humidity or internal atmosphere resulting from an **equipment breakdown peril** to **covered equipment** at the **location** or **reported unspecified location**.
2. The most the Insurer will pay for loss or damage under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Equipment Breakdown – Spoilage Coverage** Limit of Insurance.

The Limit for this **ADDITIONAL COVERAGE** is included in, and not in addition to, any other applicable Limits of Insurance.



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3. The **Adulteration or Contamination** and the **Temperature or Humidity Conditions** Excluded Perils under the **EXCLUSIONS** section do not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

H. Expense to Reduce Loss – Business Income Coverage

The Insurer will pay reasonable and necessary expenses incurred by the **Named Insured**, except the cost of extinguishing a fire, to reduce the amount of **business income** or **research and development business income loss**. The Insurer will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under the **Business Income Coverage**.

The amount the Insurer will pay for such expenses under this **ADDITIONAL COVERAGE** is included within the applicable **Business Income Coverage** Limit of Insurance.

I. Extended Indemnity Period – Business Income Coverage

1. If loss of **business income** is payable under this **Business Property Coverage Part**, the Insurer will also pay for the actual loss of **business income** the **Named Insured** sustains during the extended indemnity period.

This extended indemnity period begins on the date the **period of restoration** ends and it terminates on the earlier of:

- the date the **Named Insured's** gross sales, including rental income, are restored to the amount that would have existed if no direct physical loss or damage occurred; or
- the date on which the specified number of days shown in the **Business Property Schedule of Coverages and Limits** have elapsed after the end of the **period of restoration**.

2. The amount the Insurer will pay for loss of **business income** under this **ADDITIONAL COVERAGE** is included within the applicable **Business Income Coverage** or **Business Income and Extra Expense Coverage** Limit of Insurance.

3. This **Extended Indemnity Period - Business Income Coverage** does not apply to loss of **business income** resulting from unfavorable business conditions as a result of the impact of a **covered peril** in the area of the affected **location** or **reported unspecified location**.

4. This **Extended Indemnity Period - Business Income Coverage** does not apply to any other **ADDITIONAL COVERAGE** or the **ADDITIONAL COVERAGE BASKET**.

J. Forgery or Alteration Coverage

1. The Insurer will pay for loss sustained by the **Named Insured** resulting from **forgery** or **alteration** of or on **covered instruments** that are made or drawn by, or drawn upon:

- the **Named Insured**; or
- one acting as the **Named Insured's** agent,

or that are purported to have been so made or so drawn, by any person, acting alone or together with others. Mechanically reproduced facsimile signatures are the same as handwritten signatures.

2. The most the Insurer will pay for all loss under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Forgery or Alteration Coverage** Limit of Insurance.

K. Fungi, Wet Rot, Dry Rot and Microbe Coverage – Property Damage and Time Element Combined

1. The Insurer will pay the following provided **fungi**, wet rot, dry rot or **microbes** are the direct result of a **covered peril**, other than fire or lightning:

- direct physical loss of or damage to **covered property** caused by **fungi**, wet rot, dry rot or **microbes**, including the cost of removing the **fungi**, wet rot, dry rot or **microbes**;

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Business Property Coverage Part

- b. the reasonable cost to tear out and replace any part of the covered **building** or other property as needed to gain access to the **fungi**, wet rot, dry rot or **microbes**; and
 - c. the cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is reason to believe that **fungi**, wet rot, dry rot or **microbes** are still present.
- 2. To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will also pay, as provided, for:
 - a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay in **operations**;
 - b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and
 - c. **extra expense**,
 due to the:
 - i. direct physical loss of or damage to **covered property** caused by **fungi**, wet rot, dry rot or **microbes** that are the result of a **covered peril**, other than fire or lightning; or
 - ii. prolonged **period of restoration** due to the remediation of **fungi**, wet rot, dry rot or **microbes** from a covered loss.
- 3. The most the Insurer will pay under this **ADDITIONAL COVERAGE** for all loss, damage, cost or expense combined in the **policy period** is the **Fungi, Wet Rot, Dry Rot and Microbe Coverage – Property Damage and Time Element Combined** Aggregate Limit of Insurance. This Limit is the most the Insurer will pay, even if the **fungi**, wet rot, dry rot or **microbes** continue to be present or active or recur in a later **policy period**.
- 4. The **Fungi, Wet Rot, Dry Rot and Microbes** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

L. Loss Adjustment Expense Coverage

- 1. The Insurer will pay for reasonable and necessary expenses incurred by the **Named Insured** in preparing claim data when required by the Insurer, including the cost of taking inventories, obtaining appraisals and preparing other documentation, to determine the extent of covered loss or damage.
- 2. The Insurer will not pay for any fees, costs or expenses incurred, directed or billed by, or payable to attorneys, public adjusters, loss adjusters, loss consultants, insurance brokers or agents or their associates or subsidiaries, or any costs as described in the **APPRAISAL** Condition of the **First Party Terms and Conditions**.
- 3. The most the Insurer will pay for all expenses incurred under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Loss Adjustment Expense Coverage** Limit of Insurance.

M. Money and Securities Coverage

- 1. The Insurer will pay for loss sustained by the **Named Insured** as a direct result of the actual destruction, disappearance or **theft of money and securities**:
 - a. at a **location**, **reported unspecified location** or the premises of a bank or savings institution; or
 - b. away from:
 - i. a **location**;
 - ii. a **reported unspecified location**; or
 - iii. the premises of a bank or savings institution,
 while in the care and custody of a **messenger** or an armored motor vehicle company.



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2. The most the Insurer will pay for all loss under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Money and Securities Coverage** Limit of Insurance.
3. The Insurer will not pay any loss or damage sustained by the **Named Insured** caused by or resulting from:
 - a. accounting or arithmetical errors or omissions;
 - b. dishonest or criminal acts by the **Named Insured, executive officers, employees**, authorized representatives or anyone else to whom **money or securities** have been entrusted, other than an armored motor vehicle company:
 - i. acting alone or in collusion with others; or
 - ii. whether or not occurring during the hours of employment;
 - c. giving or surrendering of the property in any exchange or purchase;
 - d. voluntary parting with **money or securities** by the **Named Insured** or anyone else to whom it has entrusted such property if induced to do so by any fraudulent scheme, trick, device or false pretense;
 - e. transfer or surrender of **money or securities** on the basis of unauthorized instructions, to a person or place outside:
 - i. a **location**;
 - ii. a **reported unspecified location**; or
 - iii. the premises of a banking or savings institution; or
 - f. transactions involving any automated teller machine unless recorded by a continuous recording instrument in such machine.
4. The only Excluded Perils under the **EXCLUSIONS** section that apply to this **ADDITIONAL COVERAGE** are **Biological or Chemical Material, Governmental Action, Nuclear Hazard and War and Military Action**.

N. Newly Acquired Locations and Property Coverage**1. Newly Acquired or Constructed Real Property**

- a. The Insurer will pay for direct physical loss of or damage to **real property**, including new **buildings** while being built:
 - i. at a **newly acquired location**; or
 - ii. at a **location** or **reported unspecified location**, if coverage is not currently shown for **real property** at that **location** on the **Business Property Schedule of Locations** or for **reported unspecified locations**,
directly caused by a **covered peril**.
- b. The most the Insurer will pay for all loss or damage under this **Newly Acquired or Constructed Real Property** coverage for any one **occurrence** is the **Newly Acquired or Constructed Real Property** Limit of Insurance.

2. Newly Acquired – Other Property

- a. The Insurer will pay for direct physical loss of or damage:
 - i. to **personal property, fine arts, media and records of accounts receivable** at a **newly acquired location**; and
 - ii. to **personal property** if coverage is not currently shown for **personal property** at that **location** on the **Business Property Schedule of Locations** or for **reported unspecified locations**,
directly caused by a **covered peril**.

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Business Property Coverage Part

- b. The most the Insurer will pay for all loss or damage under this **Newly Acquired Property – Other Property** coverage for any one **occurrence** is the **Newly Acquired – Other Property** Limit of Insurance.
- c. The coverage provided under this **ADDITIONAL COVERAGE** for **fine arts, records of accounts receivable** and **media** is subject to the provisions of the **Fine Arts Coverage, Accounts Receivable Coverage** and **Restoration of Media Coverage**, respectively, under the **ADDITIONAL BASKET COVERAGE** section except the requirement that such property be at a **location** or **reported unspecified location**.

3. Newly Acquired Location – Time Element

- a. To the extent **time element coverage** is applicable on the **Business Property Coverage Part**, the Insurer will pay, as provided, for:
 - i. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay in **operations**;
 - ii. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and
 - iii. **extra expense**,
caused by loss or damage to property at a **newly acquired location** directly caused by a **covered peril**.
- b. The most the Insurer will pay for all loss or expense under **Newly Acquired Location – Time Element** coverage for any one **occurrence** is the **Newly Acquired Location – Time Element** Limit of Insurance.

4. This **Newly Acquired Locations and Property Coverage** expires on the date when any of the following first occurs:

- a. the Policy expires or is cancelled;
 - b. the number of consecutive days shown on the **Business Property Schedule of Coverages and Limits** has passed from the date:
 - i. the premises becomes a **newly acquired location**;
 - ii. the **Named Insured** acquires such property at a **location** or **reported unspecified location**; or
 - iii. construction begins on new **buildings**; or
 - c. the **Named Insured** reports values to the Insurer.
5. The Insurer will charge the **Named Insured** additional premium for values reported from the date the premises becomes a **newly acquired location**, the **Named Insured** acquires such property or the construction begins on new **buildings**.

O. Ordinance or Law Coverage

If at the time of direct physical loss of or damage to **insured property** directly caused by a **covered peril** there is an ordinance or law in effect regulating the construction, zoning, repair or land use of such **insured property** and, as a result of such covered loss or damage, such ordinance or law requires code compliance in the repair or replacement of such **insured property**, the following coverages apply:

1. Undamaged Insured Property

The Insurer will pay for the amount equal to the value of the undamaged portion of such **insured property** that must be demolished in accordance with such ordinance or law.

The amount the Insurer will pay for all loss or damage under this **Undamaged Insured Property** coverage is included within the applicable **Real Property Coverage** or **Personal Property Coverage** Limit of Insurance.



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2. Demolition and Repair Cost

The Insurer will pay for:

- a. the cost of demolishing and removing the undamaged portion of the damaged **insured property** required to be demolished because of such ordinance or law, including the cost of clearing the site; and
- b. the increased cost of repair or reconstruction of such **insured property** on the same site or another site because of such ordinance or law. If the **Named Insured** elects to do such repair or reconstruction at another site, such costs are limited to the costs that would have been incurred in order to comply with the minimum requirements of such ordinance or law regulating the repair or reconstruction of such **insured property** on the same site.

The amount the Insurer will pay for all loss or damage under this **Demolition and Repair Cost** coverage is included within the applicable **Real Property Coverage** or **Personal Property Coverage** Limit of Insurance unless a separate **Demolition and Repair Cost** Limit of Insurance is shown.

If a separate Limit is shown, then the most the Insurer will pay under this **Demolition and Repair Cost** coverage at any one **location** or **reported unspecified location** for any one **occurrence** is the **Demolition and Repair Cost** Limit of Insurance.

3. Increased Period of Restoration

To the extent **Business Income Coverage** or **Business Income and Extra Expense Coverage** is applicable at that **location** or **reported unspecified location**, the **period of restoration** includes any increased period of time that results from the enforcement of an ordinance or law that requires the **Named Insured** to repair or reconstruct the property or tear down undamaged portions of the property to meet the minimum requirements of the ordinance or law in force at the time of loss or damage.

The amount the Insurer will pay under this **Increased Period of Restoration** coverage is included in the applicable **Business Income Coverage** or **Business Income and Extra Expense Coverage** Limit of Insurance.

4. The Insurer will not pay for any:

- a. additional costs incurred if the damaged **insured property** is not repaired or reconstructed as soon as reasonably possible;
- b. increased **period of restoration** if the **Named Insured** does not resume **operations** with reasonable speed;
- c. costs attributable to any ordinance or law that the **Named Insured** was required to comply with before the loss or damage; or
- d. increase in costs or increased **period of restoration** required due to the enforcement of any ordinance or law that requires the **Named Insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, demolish, repair, replace or in any way respond to or assess the effects of **contaminants or pollutants** or the presence, growth, proliferation, spread or any activity of **fungi**, wet rot, dry rot or **microbes**, except to the extent the **Contaminants or Pollutant Clean Up and Removal Coverage** or the **Fungi, Wet Rot, Dry Rot and Microbe Coverage – Property Damage and Time Element Combined** of the **ADDITIONAL COVERAGES** section applies.

5. The **Governmental Action** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **Ordinance or Law Coverage**.

P. Pair or Set Coverage

1. The Insurer will pay an amount equal to the reduction in value of undamaged **personal property** that is part of a pair or set that becomes unmarketable as a pair or set because of direct physical loss of or damage to the other part of such **personal property** directly caused by a **covered peril**.

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2. The amount the Insurer will pay for such reduction in value under this **ADDITIONAL COVERAGE** is included within the applicable **Personal Property Coverage** Limit of Insurance.

Q. Protection of Property Coverage**1. Removal of Insured Property**

- a. If it is necessary to move **insured property** from the **location** or **reported unspecified location** to protect it from actual or imminent direct physical loss or damage caused by a **covered peril**, the Insurer will pay for:
 - i. any loss of or damage to that **insured property** while it is being moved from, or returned to, the **location** or **reported unspecified location**, or while temporarily stored at another premises for up to the Number of Days shown in the **Business Property Schedule of Coverages and Limits**; and
 - ii. the reasonable cost to remove the **insured property** from the **location** or **reported unspecified location** and the cost to move the **insured property** back.
- b. The amount the Insurer will pay for all loss, damage or cost under this **Removal of Insured Property** coverage is included within, and not in addition to, the applicable **Real Property Coverage** or **Personal Property Coverage** Limit of Insurance.

2. Preservation of Insured Property

- a. If it is necessary to protect **insured property** at the **location** or **reported unspecified location** from imminent direct physical loss or damage by a **covered peril**, the Insurer will pay reasonable and necessary costs the **Named Insured** incurs to protect such **insured property** from such imminent loss or damage while at such **location** or **reported unspecified location**.
- b. The most the Insurer will pay for all costs under this **Preservation of Insured Property** coverage for any one **occurrence** is the **Protection of Property Coverage Preservation of Insured Property** Limit of Insurance, subject to a \$1,000 each **occurrence** deductible. No other deductible applies to this **Preservation of Insured Property Coverage**.

R. Reported Unspecified Locations**1. Real Property Coverage and Personal Property Coverage**

The Insurer will pay for direct physical loss of or damage to **insured property** at a **reported unspecified location** directly caused by a **covered peril**.

The most the Insurer will pay for such loss or damage to **real property** at any one **reported unspecified location** for any one **occurrence** is the applicable **Reported Unspecified Locations Real Property** Limit of Insurance.

The most the Insurer will pay for such loss or damage to **personal property** at any one **reported unspecified location** for any one **occurrence** is the applicable **Reported Unspecified Location Personal Property** Limit of Insurance.

2. Business Income Coverage

The Insurer will pay for the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations** caused by direct physical loss of or damage to property at a **reported unspecified location** directly caused by a **covered peril**.

The most the Insurer will pay for such loss of **business income** at any one **reported unspecified location** for any one **occurrence** is the **Reported Unspecified Locations Business Income** Limit of Insurance.

3. Extra Expense Coverage

The Insurer will pay **extra expense** caused by direct physical loss of or damage to property at a **reported unspecified location** directly caused by a **covered peril**.



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The most the Insurer will pay for such **extra expense** at any one **reported unspecified location** for any one **occurrence** is the **Reported Unspecified Locations Extra Expense** Limit of Insurance.

S. Research and Development Coverage

1. Research and Development Project Property

The Insurer will pay for:

- a. direct physical loss of or damage to **research and development project property** while at a **location** or **reported unspecified location** directly caused by a **covered peril**; and
- b. reasonable and necessary additional expenses the **Named Insured** incurs to minimize direct physical loss of or damage to **research and development project property**, but only to the extent the loss of or damage to **research and development project property** is reduced by such additional expenses.

The most the Insurer will pay for **research and development project property** under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Research and Development Coverage Research and Development Project Property** Limit of Insurance.

2. Research and Development Business Income

To the extent that **Business Income Coverage** or **Business Income and Extra Expense Coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will also pay, as provided, for the loss of **research and development business income** that the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of the **Named Insured's** research and development projects in process caused by direct physical loss of or damage to property at a **location** or **reported unspecified location**. The loss or damage must be directly caused by a **covered peril**.

The amount the Insurer will pay for **research and development business income** under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is included within, and not in addition to, the applicable **Business Income Coverage** or **Business Income and Extra Expense Coverage** Limit of Insurance unless a separate **Research and Development Business Income** Limit of Insurance is shown.

If a separate Limit is shown, then the most the Insurer will pay under this **Research and Development Business Income** coverage at any one **location** or **reported unspecified location** for any one **occurrence** is the **Research and Development Business Income** Limit of Insurance.

T. Theft Damage to Non Owned Building Coverage

1. The Insurer will pay for direct physical loss of or damage to **buildings** at a **location** or **reported unspecified location** in which the **Named Insured** is a tenant and does not own the building, caused directly by **theft**, robbery or burglary, provided the **Named Insured** is obligated by the written lease in effect at the time of loss or damage to pay for such loss or damage.
2. The amount the Insurer will pay for all loss or damage under this **ADDITIONAL COVERAGE** is included within the applicable **Personal Property Coverage** Limit of Insurance.
3. This **ADDITIONAL COVERAGE** does not apply to **theft** that occurs after fire or explosion.

U. Trees, Shrubs, Plants or Lawns Coverage

1. The Insurer will pay for direct physical loss of or damage to **outdoor trees, shrubs, plants or lawns**, including the expense to remove debris of **outdoor trees, shrubs, plants or lawns**, at a **location** or **reported unspecified location** directly caused by:
 - a. fire;
 - b. lightning;
 - c. explosion;

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- d. riot or civil commotion;
 - e. vehicles; or
 - f. aircraft.
2. The most the Insurer will pay for all loss or damage under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Trees, Shrubs, Plants or Lawns Coverage Each Location** Limit. Subject to this Each Location Limit, the most the Insurer will pay for any one tree, shrub, plant or lawn is the **Trees, Shrubs, Plants or Lawns Coverage Each Item** Limit of Insurance.

V. Unintentional Errors or Omissions Coverage

1. The Insurer will pay for direct physical loss of or damage to **covered property** from a **covered peril** that is not otherwise payable under this **Business Property Coverage Part** solely as a result of:
 - a. an unintentional error or omission by the **Named Insured**:
 - i. in the description or address of any **insured property**; or
 - ii. the inadvertent deletion of a **location** or **reported unspecified location** under the Policy; or
 - b. any unintentional failure by the **Named Insured** to include any premises owned or occupied by the **Named Insured** at the inception date of the Policy.
2. To the extent **time element coverage** is applicable, the Insurer will also pay, as provided, for:
 - a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay in **operations**;
 - b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and
 - c. **extra expense**,

caused by loss of or damage to property from a **covered peril** that is not otherwise payable under this **Business Property Coverage Part** solely as a result of:

 - i. an unintentional error or omission by the **Named Insured**:
 - (1) in the description or address of any **insured property**; or
 - (2) the inadvertent deletion of a **location** or **reported unspecified location** under the Policy; or
 - ii. any unintentional failure by the **Named Insured** to include any premises owned or occupied by the **Named Insured** at the inception date of the Policy.
2. The most the Insurer will pay for all loss, damage, cost or expense combined under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Unintentional Errors or Omissions Coverage** Limit of Insurance.
3. There is no coverage for any unintentional error or unintentional omission in the reporting of values or the coverage requested. It is a condition of this coverage that such unintentional error or omission be reported and corrected when discovered. The **Named Insured's** premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.



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W. Utility Supply Failure Coverage

1. Property Damage

The Insurer will pay for direct physical loss of or damage to **covered property** at a **location** or **reported unspecified location** where such loss or damage is caused by the necessary suspension, interruption or reduction of:

- a. communication services, including internet access; or
- b. power supply, fuel services or water services,

at that **location** or **reported unspecified location**.

Such suspension, interruption or reduction must be the result of a **covered peril** that causes or results in direct physical loss of or damage to such utility service provider's property, including overhead transmission or distribution lines, used to provide the **location** or **reported unspecified location** with such services, provided such property is not at a **location** or **reported unspecified location**.

The most the Insurer will pay for all such loss or damage to **covered property** under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Utility Supply Failure Coverage – Property Damage** Limit of Insurance.

2. Time Element

To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will pay, as provided, for:

- a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;
- b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of the research and development projects; and
- c. **extra expense**,

caused by loss of or damage to a utility service provider's property that is located away from a **location** or **reported unspecified location** and that property is used to provide internet, communication, power supply, fuel services or water services to such **location** or **reported unspecified location**. The loss or damage must be directly caused by a **covered peril**.

The most the Insurer will pay for all such loss or expense under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Utility Supply Failure Coverage – Time Element** Limit of Insurance.

If a **Deductible or Qualifying Period** is shown on the **Business Property Schedule of Locations** for **Utility Supply Failure Coverage – Time Element Coverage**, then the following replaces the **Deductible and Qualifying Periods** provision of the **LIMITS OF INSURANCE/INDEMNITY PERIOD/DEDUCTIBLE/QUALIFYING PERIOD** section for the **Utility Supply Failure Coverage – Time Element Coverage**:

The Insurer will not pay for any loss of **business income** or **research and development business income** or **extra expense** incurred for any one **occurrence** until the amount of loss or expense incurred exceeds the applicable Deductible or until the length of the **suspension** or delay of **operations** exceeds the applicable **Qualifying Period** shown in the **Business Property Schedule of Locations**.

If a Deductible applies, then the Insurer will pay the amount of actual **business income** or **research and development business income** loss or **extra expense** incurred in excess of the applicable Deductible, up to the applicable Limits of Insurance.

If a **qualifying period** applies and the **qualifying period** is exceeded, then the Insurer will pay for covered loss and expense, calculated as of the time of such **suspension** or delay in **operations**, in excess of the

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Business Property Coverage Part

applicable Property Deductible shown in the **Business Property Schedule of Locations**, unless a more specific **time element coverage** deductible is shown.

3. However, to the extent the covered Utility Supply Failure loss, damage or expense is caused by or resulting from covered:
 - i. **flood**, the total amount payable for all loss, damage or expense under this **ADDITIONAL COVERAGE** is included within, and not in addition to, the applicable Flood Limit of Insurance.
 - ii. **earthquake**, the total amount payable for all loss, damage or expense under this **ADDITIONAL COVERAGE** is included within, and not in addition to, the applicable Earthquake Limit of Insurance.
4. This **ADDITIONAL COVERAGE** does not apply to loss, damage or expense caused by physical loss of or damage to satellites or any other orbiting equipment.
5. The **Utility Services** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

IV. ADDITIONAL COVERAGE BASKET

The following coverages are part of the **ADDITIONAL COVERAGE BASKET**. At the time of loss or damage, the **Named Insured** may elect to apportion the Limit of Insurance to one or any combination of the coverages included in this **ADDITIONAL COVERAGE BASKET**. However, the most the Insurer will pay at any one **location** or **reported unscheduled location** for any one **occurrence** for the total of all loss or damage from the coverages included in this **ADDITIONAL COVERAGE BASKET** is the Limit of Insurance as shown in the **Business Property Schedule of Coverages and Limits**. If a different **ADDITIONAL COVERAGE BASKET** Limit of Insurance is shown at a **location** in the **Business Property Schedule of Locations**, that Limit replaces, and is not in addition to, the **ADDITIONAL COVERAGE BASKET** Limit of Insurance shown in the **Business Property Schedule of Coverages and Limits** for that **location**. If the **ADDITIONAL COVERAGE BASKET** does not apply at a specific **location**, the **ADDITIONAL COVERAGE BASKET** will show as Not Covered for that **location**.

A. Accounts Receivable Coverage

1. The Insurer will pay for direct physical loss of or damage to **records of accounts receivable** at a **location** or **reported unspecified location** directly caused by a **covered peril**.
2. This **Accounts Receivable Coverage** does not apply with respect to any claim for loss, damage, cost or expense that requires any audit of any records or inventory computation to prove its factual existence.
3. The **Contaminants or Pollutants, Temperature or Humidity Conditions** and **Utility Services** Excluded Perils under the **EXCLUSIONS** section do not apply with respect to **Accounts Receivable Coverage**.

B. Fine Arts Coverage

1. The Insurer will pay for direct physical loss of or damage to **fine arts** at a **location** or **reported unspecified location** directly caused by a **covered peril**.
2. Subject to the **ADDITIONAL COVERAGE BASKET** Limit of Insurance, the most the Insurer will pay for any one item for any one **occurrence** under this **Fine Arts Coverage** is \$100,000.
3. The **Contaminants or Pollutants** and the **Utility Services** Excluded Perils under the **EXCLUSIONS** section do not apply with respect to **Fine Arts Coverage**.

C. Fire Department Service Charge Coverage

The Insurer will pay for the **Named Insured's** liability for the following fire department service charges if incurred to save or protect **covered property** at a **location** or **reported unspecified location** from a **covered peril**:

1. charges assumed by written contract or written agreement prior to loss; or
2. charges required by local ordinance.



CNA PARAMOUNT

Business Property Coverage Part

No deductible applies to this **Fire Department Service Charge Coverage**.

D. Lessee Leasehold Interest Coverage

When the **Named Insured's** written lease is cancelled by the lessor in accordance with a valid condition of that lease and such cancellation is due to direct physical loss of or damage to property at a **location** or **reported unspecified location** directly caused by a **covered peril**, the Insurer will pay for the loss of:

1. the value of the **Named Insured's** leasehold interest in the unamortized portion of payments made by the **Named Insured** for the undamaged portion of the **tenant's improvements and betterments**;
2. **monthly leasehold interest** of the **bonus payment** or **prepaid rent**;
3. **sublease profit**;
4. **equipment data processing equipment leasehold values**; and
5. **net leasehold interest of tenant's lease interest**.

E. Lost Key Replacement Coverage

The Insurer will pay for the reasonable and necessary cost of:

1. replacing the master key and individual lock keys, including the cost to program the new locks if keys to that **location** or **reported unspecified location** are stolen; or
2. entry lock repair or replacement, including the cost to rekey or reprogram locks, made necessary by theft or attempted theft at that **location** or **reported unspecified location**.

F. Non Owned Detached Trailers Coverage

The Insurer will pay for direct physical loss of or damage to trailers that the **Named Insured** does not own at a **location** or **reported unspecified location** directly caused by a **covered peril**, provided that:

1. the trailer is used in the **Named Insured's** business;
2. the trailer is in the **Named Insured's** care, custody or control; and
3. the **Named Insured** is obligated by a written contract in effect at the time of loss or damage to pay for such loss or damage to that trailer.

The Insurer will not pay for any loss or damage that occurs:

- a. while the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- b. during hitching or unhitching operations; or
- c. when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

G. Recharge of Fire Protection Equipment Coverage

The Insurer will pay expenses the **Named Insured** incurs to recharge automatic fire protection equipment due to the leakage or discharge of the fire suppressant within the automatic fire protection equipment. The insurance provided under this coverage applies regardless of how the discharge or leakage is caused. However, if the leakage or discharge is caused by or results from covered loss or damage, no deductible applies.

H. Restoration of Media Coverage

1. The Insurer will pay for the direct physical loss of or damage to **media** at a **location** or **reported unspecified location** directly caused by a **covered peril**.
2. The **Contaminants or Pollutants, Temperature or Humidity Conditions** and **Utility Services** Excluded Perils under the **EXCLUSIONS** section do not apply with respect to this **Restoration of Media Coverage**.

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CNA PARAMOUNT

Business Property Coverage Part

I. Reward Payments Coverage

In the event of direct physical loss of or damage to **insured property** caused by arson, **theft** or vandalism, the Insurer will reimburse the **Named Insured** for amounts it pays for information leading to the conviction of any persons responsible for such arson, **theft** or vandalism. The reward payments must be documented.

However, there is no coverage for a reward payment made to the **Named Insured** or **executive officers**.

No deductible applies to this **Reward Payments Coverage**.

V. EXCLUSIONS

The Excluded Perils shown in Paragraphs **A. B. C.** and **D.** below apply to all **LOCATION COVERAGES, OFF-SITE COVERAGES, ADDITIONAL COVERAGES** and **ADDITIONAL COVERAGE BASKET** coverages under the **coverage part** unless otherwise stated.

A. Excluded Perils Subject to Concurrent Causation Provisions

With respect to the excluded perils below, the Insurer will not pay for loss of or damage to property directly or indirectly caused by or resulting from the following causes of loss or events: **Biological or Chemical Materials; Earth Movement; Electronic Vandalism; Flood; Fungi, Wet Rot, Dry Rot and Microbes; Governmental Action; Nuclear Hazard; Utility Services; and War and Military Action**, regardless of: the causes of such excluded causes or events; other causes of such loss; any other cause or event, whether or not insured under the **coverage part**, which may have contributed concurrently, or in any sequence, to produce such loss even if such other cause or event would otherwise be covered; and whether the event occurred suddenly or gradually, involved isolated or widespread damage, arose from natural or external sources or acts or omissions, or occurred as a result of any combination of any such causes or events.

1. Biological or Chemical Materials

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from the actual or threatened discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials.

2. Earth Movement

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from **earth movement**. However, if **earth movement** results in fire, explosion or **theft**, the Insurer will pay for that portion of the loss which was solely caused by such fire, explosion or **theft**.

3. Electronic Vandalism

The Insurer will not pay for loss or damage caused by or resulting from **electronic vandalism**.

4. Flood

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from **flood**. However, if **flood** results in fire, explosion, sprinkler leakage or **theft**, the Insurer will pay for that portion of the loss which was solely caused by such fire, explosion, sprinkler leakage or **theft**.

5. Fungi, Wet Rot, Dry Rot and Microbes

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of **fungi**, wet or dry rot, or **microbes**. However, this exclusion does not apply when **fungi**, wet or dry rot, or **microbes** results from fire or lightning.

6. Governmental Action

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from seizure, destruction, demolition, expropriation, condemnation, confiscation or nationalization of property by, on behalf of or at the direction of any governmental authority.



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Business Property Coverage Part

However, this exclusion does not apply to seizure or acts of destruction ordered by governmental or military authority and taken at the time of a fire to prevent its spread.

7. Nuclear Hazard

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused. However, if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for that portion of the loss which was solely caused by such fire.

8. Utility Services

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from the failure (including lack of sufficient capacity and reduction in supply) of power, fuel, sewage treatment, internet or other communication service, or any other utility service supplied to a covered premises, if the failure occurs away from the premises.

However, if such failure results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

This exclusion does not apply to **electronic data processing equipment**.

9. War and Military Action

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from:

- a. war (whether declared or undeclared); civil war or warlike action by a military force; or
- b. insurrection, rebellion, revolution, military or usurped power by governmental or military personnel.

B. Other Excluded Perils

1. Adulteration or Contamination

The Insurer will not pay for loss or damage caused by or resulting from adulteration or contamination to **stock** which causes the **stock** to become diminished in value or use, including but not limited to diminished value or use due to change in color, finish, flavor, size or texture. This exclusion applies unless the adulteration or contamination is itself caused by a **specified peril**, other than the **equipment breakdown peril**.

However, if the adulteration or contamination to **stock** results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

2. Alteration, Falsification, Concealment or Destruction

The Insurer will not pay for loss or damage caused by or resulting from alteration, falsification, concealment or destruction of **records of accounts receivable** or **media** done to conceal the wrongful giving, taking or withholding of **money**, **securities** or other property.

3. Bookkeeping, Accounting or Billing Errors or Omissions

The Insurer will not pay for loss of or damage to **media** or **records of accounts receivable** caused by or resulting from bookkeeping, accounting or billing errors or omissions.

4. Collective Activities

The Insurer will not pay for loss of **business income** or **research and development business income** caused by or resulting from delay in rebuilding, repairing or replacing property or resuming **operations** due to strikes, boycotts, picketing, lockouts or other such collective activities.

5. Contaminants or Pollutants

The Insurer will not pay for loss or damage caused by or resulting from discharge, dispersal, seepage, migration, release or escape of **contaminants** or **pollutants**. This exclusion applies unless the discharge,

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Business Property Coverage Part

dispersal, seepage, migration, release or escape of **contaminants or pollutants** is itself caused by a **specified peril**.

However, if the discharge, dispersal, seepage, migration, release or escape of **contaminants or pollutants** results in a **specified peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **specified peril**.

This exclusion does not apply:

- a. to damage to glass caused by chemicals applied to the glass; or
- b. to **electronic data processing equipment**.

6. Delay, Loss of Use or Loss of Market

The Insurer will not pay for loss or damage caused by or resulting from delay, loss of use or loss of market.

7. Dishonest or Criminal Acts

The Insurer will not pay for loss or damage caused by or resulting from any dishonest, fraudulent or criminal acts committed alone or in collusion with others by the **Named Insured**, **executive officers**, the **Named Insured's** employees (including leased or temporary employees) or authorized representatives or anyone to whom the **Named Insured** entrusts the property for any purpose, regardless of whether or not such activity takes place during hours of operation.

This exclusion does not apply to:

- a. acts of destruction by an employee (including leased or temporary employee) of the **Named Insured**; or
- b. acts committed by a carrier or other bailee for hire.

8. Errors, Defects or Failures

The Insurer will not pay for any:

- a. loss or damage, including the costs of correcting or making good, caused by or resulting from:
 - i) an **act or decision** or error or omission in or faulty or defective:
 - (1) design, specification, workmanship, repair, construction, renovation, remodeling, grading or compaction of;
 - (2) processing of, manufacturing of or materials used in;
 - (3) planning, zoning, development surveying or siting; or
 - (4) materials used in repair, construction, renovation or remodeling of; or
 - ii) insufficient maintenance or servicing, or the failure to maintain or service, any part, or all, of the property on or off a premises.
- b. loss or damage caused by or resulting from the misalignment, miscalibration, operation of any safety device or going off-line or any condition which can be corrected by resetting, tightening, adjusting, cleaning or performing maintenance on property.

However, if any of these Excluded Perils results in a **covered peril**, the Insurer will pay for that loss or damage solely caused by such **covered peril**.

9. Finished Stock or Merchandise

The Insurer will not pay for loss of **business income** or **research and development business income** caused by or resulting from:

- a. loss or damage to **finished stock** or to **merchandise** which has been sold but not delivered; or
- b. the time required to reproduce **finished stock** or replace **merchandise**.



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Business Property Coverage Part

10. Inherent Vice/Latent Defect

The Insurer will not pay for loss or damage caused by or resulting from:

- a. wear and tear;
- b. rust or other corrosion or decay;
- c. gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- d. nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- f. smog;
- g. marring or scratching; or
- h. inherent vice.

This exclusion applies unless one of these Excluded Perils is itself caused by a **specified peril**.

However, if any of these Excluded Perils results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

11. Mysterious Disappearance

The Insurer will not pay for loss or damage caused by or resulting from disappearance of property or shortage of property disclosed on taking inventory, where there is no physical evidence to show what happened to the property.

However, if such disappearance or shortage results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

This exclusion does not apply to property in the custody of carriers or other bailees for hire.

12. Precipitation

The Insurer will not pay for loss or damage caused by or resulting from hail, ice, rain, sleet or snow to **personal property** in the open, other than property in the custody of carriers for hire.

13. Pressure or Electrical Testing

The Insurer will not pay for loss of or damage to machinery or equipment while undergoing electrical or pressure testing.

However, if such testing results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

14. Programming Errors or Defects

The Insurer will not pay for loss of or damage to **electronic data processing equipment, media or records of accounts receivable** caused by or resulting from:

- a. programming errors or faulty instructions to a machine; or
- b. other errors or omissions in processing or copying.

However, if such errors, omissions or faulty instructions result in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

15. Repair, Restoration or Retouching

The Insurer will not pay for loss of or damage to **fine arts** caused by or resulting from any repairing, restoration or retouching process.

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16. Settling and Cracking

The Insurer will not pay for loss or damage caused by or resulting from naturally occurring or man-made bulging, cracking, expansion, shrinkage or settling of land, paved or concrete surfaces, foundations, pools or **buildings**, including soil or fill adjacent to such property. This exclusion applies unless the bulging, cracking, expansion, shrinkage or settling is itself caused by a **specified peril**.

However, if such bulging, cracking, expansion, shrinkage or settling results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

17. Suspended Equipment

The Insurer will not pay for loss or damage caused by or resulting from an **equipment breakdown peril** to **suspended equipment**.

However, if such Excluded Peril results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

18. Suspension, Lapse or Cancellation

The Insurer will not pay for any:

- a. loss of **business income** or **extra expense** caused by or resulting from suspension, lapse or cancellation of any license, lease or contract unless:
 - i. such suspension, lapse or cancellation is directly caused by the actual **suspension** or delay in **operations**;
 - ii. the loss of **business income** is sustained during the **period of restoration** or extended indemnity period; and
 - iii. the **extra expense** is incurred during the **period of restoration**.
- b. loss of **research and development business income** caused by or resulting from suspension, lapse or cancellation of any license, lease or contract unless:
 - i. such suspension, lapse or cancellation is directly caused by the actual **suspension** or delay of the **Named Insured's** research and development projects in process; and
 - ii. the loss of **research and development business income** is sustained during the **period of restoration**.

19. Temperature or Humidity Conditions

The Insurer will not pay for loss of or damage to **personal property** caused by or resulting from the loss of or change in temperature, humidity or atmosphere, whether inside or outside of a building and whether or not artificially maintained or generated. This exclusion applies unless such change in temperature, humidity or atmosphere is itself caused by a **specified peril**, other than an **equipment breakdown peril**.

However, if such loss of or change in temperature, humidity or atmosphere results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

This exclusion does not apply to **electronic data processing hardware**.

C. Limitations**1. Trees, Shrubs, Plants or Lawns**

The Insurer will not pay for loss of **business income** or **research and development business income** caused by or resulting from loss of or damage to **outdoor trees, shrubs, plants or lawns** unless such loss or damage is directly caused by fire, lightning, explosion, riot or civil commotion, vehicles or aircraft.



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Business Property Coverage Part

2. Vegetated Roofs

The Insurer will not pay for loss of or damage to trees, shrubs, plants, grass, lawns or other landscaping materials which are part of a vegetated roof caused by or resulting from:

- a. dampness or dryness of atmosphere or soil supporting the vegetation;
- b. changes in or extremes of temperature;
- c. disease; or
- d. frost, hail, rain, snow, ice or sleet.

D. Excluded Fees, Costs and Expenses**1. Excavation, Grading or Filling Costs**

The Insurer will not pay fees, costs or expenses for:

- a. excavations, grading, backfilling or filling, unless such cost is necessarily incurred to investigate, repair or replace **insured property** below the surface of the ground; or
- b. filling sinkholes.

2. Volcanic Eruption

The Insurer will not pay fees, costs or expenses to remove ash, dust or particulate matter, following a **volcanic eruption** that does not cause loss of or damage to **covered property**.

VI. LIMITS OF INSURANCE / INDEMNITY PERIOD / DEDUCTIBLE / QUALIFYING PERIOD**A. Limits of Insurance**

The Limits of Insurance applicable to each coverage agreement are shown in the **Business Property Schedule of Coverages and Limits** or the **Business Property Schedule of Locations**.

B. Special Limits

The Limit of Insurance applicable for any one **occurrence** for loss or damage due to **theft** is \$10,000 for:

- 1. furs, fur garments and garments trimmed with fur;
- 2. jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones; and
- 3. bullion, gold, silver, platinum and other precious alloys or metals.

This Limit is included within, and not in addition to, the applicable **Personal Property Coverage** Limit of Insurance.

C. Maximum Period of Indemnity

If the **Business Property Schedule of Locations** displays a **Maximum Period of Indemnity**, the most the Insurer will pay for loss of **business income** is the lesser of:

- 1. the amount of covered **business income** during the 120 consecutive days immediately following the beginning of the **period of restoration**; or
- 2. the applicable **Business Income Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations**.

D. Monthly Limit of Indemnity

If the **Business Property Schedule of Locations** displays a Monthly Limit of Indemnity fraction, the most the Insurer will pay for loss of **business income** in any one period of 30 consecutive days after the beginning of the **period of restoration** is:

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Business Property Coverage Part

1. the Limit of Insurance, multiplied by
2. the Monthly Limit of Indemnity fraction shown in the **Business Property Schedule of Locations** for **Monthly Limit of Indemnity**.

E. Inflation Guard

If the **Business Property Schedule of Locations** displays an inflation guard percentage, the Limit of Insurance for **insured property** will automatically increase as follows:

1. the applicable Limit of Insurance; multiplied by
2. the Inflation Guard percentage shown on the **Business Property Schedule of Locations**; multiplied by
3. the number of consecutive days since the beginning of the annual **policy period**, or the effective date of the most recent Policy change amending the Limit of Insurance, divided by 365.

F. Deductibles and Qualifying Periods

1. The Insurer will not pay any amounts due under the terms and conditions of the **coverage part** until the amount of covered loss, damage, cost or expense for any one **occurrence** exceeds the Property Deductible shown in the **Business Property Schedule of Locations**, unless specific coverage deductibles are shown in the **Business Property Schedule of Locations** or an endorsement. The Insurer will then pay the amount of loss, damage, cost or expense in excess of the Deductible, up to the applicable Limits of Insurance.
2. If a **Qualifying Period** is shown in the **Business Property Schedule of Locations**, then the **qualifying period** will apply to all **business income** and **research and development business income** coverages. The Insurer will not pay for any loss of **business income** or **research and development business income** for any one **occurrence** until the **suspension** or delay of **operations** exceeds the **qualifying period**. If the **qualifying period** is exceeded, then the Insurer will pay the amount of covered **business income** or **research and development business income** loss, calculated as of the time and date of such loss, in excess of the applicable Property Deductible shown in the **Business Property Schedule of Locations**, unless a more specific **time element coverage** deductible is shown. If **Business Income and Extra Expense Coverage** applies, then **extra expense** is subject to the deductible or **qualifying period** applicable to **business income**.
3. A covered loss occurring at **unspecified locations**, **reported unspecified locations** or other premises not shown on the **Business Property Schedule of Locations** will be subject to the **Deductibles and Qualifying Periods** applicable for the first **location** shown in the **Business Property Schedule of Locations**, unless specific coverage deductibles are shown in the **Business Property Schedule of Locations** or an endorsement.
4. Unless otherwise stated in the **coverage part** or endorsement, if more than one monetary deductible applies, the Insurer will apply each deductible separately, but the total of all deductibles applied for any one **occurrence** will not exceed the highest applicable monetary deductible for loss or damage to **covered property** plus the highest applicable monetary deductible for loss under **time element coverage**.
5. Loss or damage caused by earthquake, earthquake sprinkler leakage, **flood**, **named storm** and windstorm or hail may be subject to separate deductible amounts. The **Business Property Schedule of Locations**, or applicable endorsement, will identify the **locations** or **reported unspecified locations** subject to such deductibles and the applicable deductible amount. That Deductible will apply to all coverages that respond to that covered loss, including covered **time element coverage** loss. **Qualifying periods** do not apply to covered loss or expense from earthquake, earthquake sprinkler leakage, **flood**, **named storm** or windstorm or hail when there is a separate monetary deductible amount applicable.

For purposes of calculating the deductible for those perils, the Insurer will use the applicable Limit of Insurance shown in the **Business Property Schedule of Coverages and Limits**, the **Business Property Schedule of Location** or any endorsement attached to this Policy for that specific coverage, or the actual



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Business Property Coverage Part

amount of loss, damage, cost or expense for that coverage, whichever is less, towards satisfying that Deductible.

With respect to earthquake, earthquake sprinkler leakage, **flood**, **named storm** and windstorm or hail deductibles, if there are two or more deductibles that are applicable from other **covered perils** in the same **occurrence**, the Insurer will apply each deductible separately. When those Deductibles are shown in the **Business Property Schedule of Coverages and Limits**, the **Business Property Schedule of Locations** or any endorsement:

- a. at that specific **location** or **reported unspecified location**, the total of all monetary deductible amounts applied for any one **occurrence** will not exceed the single highest applicable Deductible shown for that **location** or **reported unspecified location**. If more than one **location** or **reported unspecified location** is involved in the same **occurrence**, the Insurer will apply those Deductibles for each **location** and **reported unspecified location** separately, subject to the single highest applicable Deductible for each **location** and each **reported unspecified location**.
- b. on a per **occurrence** basis for multiple **locations** or **reported unspecified locations**, the total of all monetary deductible amounts applied for any one **occurrence** will not exceed the single highest applicable Deductible.

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CNA PARAMOUNT

Equipment Breakdown Exclusion Endorsement

It is understood and agreed as follows:

I. The following are added to Other Excluded Perils, in the EXCLUSIONS section of the Business Property Coverage Part:

- **Electrical Injury**

The Insurer will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electrical arcing, that damages or disturbs electrical devices, wiring or equipment. But, if such artificially generated electrical current or electrical arcing results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

This exclusion does not apply to **electronic data processing equipment, media or records of accounts receivable**.

- **Explosion or Rupture**

The Insurer will not pay for:

- a. Loss or damage caused by or resulting from an explosion, rupture, or bursting of steam boilers, steam pipes, steam engines, steam turbines, gas turbines, or apparatus attached to and forming a part thereof, when owned, operated, or controlled by the **Named Insured**; except for explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the gases of combustion pass.

But if a result of one of these excluded perils is fire or a combustion explosion, the Insurer will pay that portion of the loss or damage solely caused by that fire or combustion explosion.

- b. Loss or damage caused by or resulting from any condition or event inside steam boilers, steam pipes, steam engines, steam turbines, gas turbines, or apparatus attached to and forming a part thereof, when owned, operated, or controlled by the **Named Insured**; except for explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the gases of combustion pass.

- c. Loss or damage caused by or resulting from any condition or event, other than an explosion, inside hot water boilers, other water heating equipment other than steam engines, or pressure vessels when owned, operated, or controlled by the **Named Insured**.

This exclusion does not apply to **electronic data processing equipment, media or records of accounts receivable**.

- **Mechanical Breakdown**

The Insurer will not pay for loss or damage caused by or resulting from mechanical or machinery breakdown, including rupture or bursting caused by or resulting from centrifugal force, of property owned, operated, or controlled by the **Named Insured**. But if a result of the mechanical or machinery breakdown is a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 2

Effective Date: 12/23/2017

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CNA PARAMOUNT

Equipment Breakdown Exclusion Endorsement

This exclusion does not apply to **electronic data processing equipment, media or records of accounts receivable.**

- II.** The following change applies to the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part:**

The **Equipment Breakdown – Spoilage Coverage** is deleted.

- III.** Paragraph **I.** of the **specified peril** definition in the **First Party Glossary of Defined Terms** is deleted.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



Inland Marine

New Business Declaration

| | | |
|--------------------------------------|--|---|
| POLICY NUMBER C 6056872807 | COVERAGE PROVIDED BY The Continental Insurance Co. 333 S. WABASH CHICAGO, IL. 60604 INSURED NAME AND ADDRESS SOILS ENGINEERING SERVICES, INC. 12A MAPLE AVE PINE BROOK, NJ 07058-9837 | FROM - POLICY PERIOD - TO 12/23/2017 12/23/2018 |
| AGENCY NUMBER 028570 | AGENCY NAME AND ADDRESS SCHINNERER & CO., INC. VICTOR O. TWO WISCONSIN CIRCLE CHEVY CHASE, MD 20815 Phone Number: (301)961-9800 | |
| BRANCH NUMBER 886 | BRANCH NAME AND ADDRESS DESIGN ONE CENTER TWO WISCONSIN CIRCLE CHEVY CHASE, MD 20815 Phone Number: () - | |

This policy becomes effective and expires at 12:01 A.M. standard time at your mailing address on the dates shown above.

The Named Insured is a Corporation.

Your policy is composed of this Declarations, with the attached Common Policy Conditions, Coverage Forms, and Endorsements, if any. The Policy Forms and Endorsement Schedule shows all forms applicable to this policy at the time of policy issuance.

| | |
|----------------------------|------------|
| The Policy Premium Is | \$1,049.00 |
| New Jersey PLIGA Surcharge | \$6.29 |
| Total Policy Charges | \$1,055.29 |

| | |
|--|--------|
| Terrorism Risk Insurance Extension Act Premium | \$5.00 |
|--|--------|

In return for the payment of the premium, and subject to all the terms and conditions contained here-in, we agree to provide the insurance as stated.

POLICY NUMBER
C 6056872807

INSURED NAME AND ADDRESS
SOILS ENGINEERING SERVICES, INC.
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Case: 1:23-cv-04098 Document #: 142-6 Filed: 01/28/25 Page 96 of 589 PageID #:15767

INLAND MARINE SUMMARY OF COVERAGES

Contractors Equipment

- Contractors Equipment Declarations - Policy Level Information - G300665
- Contractors Equipment Declarations - Additional Coverage and Coverage Extension Schedule - G300666

POLICY NUMBER
C 6056872807

INSURED NAME AND ADDRESS
SOILS ENGINEERING SERVICES, INC.
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

INLAND MARINE LOCATION SUMMARY OF COVERAGES

LOCATION 1 BUILDING 1

12A MAPLE AVE
PINE BROOK NJ 07058

Building Description:

LOCATION/BUILDING COVERAGES

Valuable Papers

- Valuable Papers Schedule - Non-Reporting - G55231
- Valuable Papers and Records Coverage Form - CM0067



INLAND MARINE CONTRACTORS EQUIPMENT SCHEDULE

(For Additional IM Declaration Information, See Form G300665)

| ITEM NO. | <u>DESCRIPTION OF EQUIPMENT (Year, Manufacturer, Model)</u> | <u>LIMIT OF INSURANCE</u> | <u>DEDUCTIBLE</u> | <u>COINSURANCE</u> | <u>VALUATION (ACV, RC, AV)</u> |
|---------------------|--|--------------------------------------|--------------------------|---------------------------|---|
| 1 | 2016 PIONEER 700 ATV 1HFVE0227G420842 | \$14,000 | \$1,000 | | |
| 2 | DIGITILID INCLINOMETER 102152 | \$5,000 | \$1,000 | | |
| 3 | DIGITILT INDICATOR 28055F | \$5,000 | \$1,000 | | |
| 5 | INSTANTEL SEISMOGRAPH LOT BE5608 | \$5,000 | \$1,000 | | |
| 6 | INSTANTEL SEISMOGRAPH LOT BE11861 | \$5,000 | \$1,000 | | |
| 7 | NUCLEAR DENOSMETER 3430 32035 | \$5,000 | \$1,000 | | |
| 8 | NUCLEAR DENOSMETER 23454 | \$5,000 | \$1,000 | | |
| 9 | NUCLEAR DENOSMETER 3440 2247 | \$5,000 | \$1,000 | | |
| 10 | NUCLEAR DENSOMETER WYELLOW CASE CS137 | \$5,000 | \$1,000 | | |
| 11 | NUCLEAR DENSOMETER WYELLOW CASE 3440 | \$5,000 | \$1,000 | | |
| 12 | NUCLEAR DENSOMETER WYELLOW CASE 3440 | \$5,000 | \$1,000 | | |
| 13 | NUCLEAR DENSOMETER WYELLOWCASE 3440 | \$5,000 | \$1,000 | | |
| 14 | NUCLEAR DENSOMETER WYELLOW CASE 3440 | \$5,000 | \$1,000 | | |
| 15 | NUCLEAR DENSOMETER WYELLOW CASE 3440 | \$5,000 | \$1,000 | | |
| 16 | NUCLEAR DENSOMETER WYELLOW CASE 3440 | \$5,000 | \$1,000 | | |
| 17 | NUCLEAR DENSOMETER WYELLOW CASE 3440 | \$5,000 | \$1,000 | | |
| 18 | NUCLEAR DENSOMETER WYELLOW CASE 3440 | \$5,000 | \$1,000 | | |
| 19 | PNUEMATIC PIEZOMETER READOUT | \$5,000 | \$1,000 | | |

POLICY NUMBER
C 6056872807

INSURED NAME AND ADDRESS
SOILS ENGINEERING SERVICES, INC.
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

INLAND MARINE CONTRACTORS EQUIPMENT SCHEDULE

(For Additional IM Declaration Information, See Form G300665)

| ITEM NO. | DESCRIPTION OF EQUIPMENT (<u>Year, Manufacturer, Model</u>) | LIMIT OF INSURANCE | DEDUCTIBLE | COINSURANCE | VALUATION (<u>ACV, RC, AV</u>) |
|---------------------|--|-------------------------------|-------------------|--------------------|---|
| | (RST) C106 | | | | |
| 20 | MINIRAE 2000 (RAE SYSTEM) PGM-7600 | \$2,000 | \$1,000 | | |
| 21 | MULTIRAE PLUS (RAE SYSTEMS) PGM50-SP | \$2,000 | \$1,000 | | |
| 22 | VRAE (RAE SYSTEMS) PGM7800 170101036 | \$2,000 | \$1,000 | | |



POLICY NUMBER
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INLAND MARINE LOSS PAYEE SCHEDULE

All loss payees as their interests may appear in the Covered Property.

The following provisions apply in accordance with the insurable interest of the loss payee: Loss Payable, Lender's Loss Payable, or Contract of Sale.

Description of Property: Any Covered Property in which a loss payee, creditor or lender holds an interest, including any person or organization you have entered a contract with for the sale of the Covered Property.

Countersignature


Chairman of the Board


Secretary

**CONTRACTORS EQUIPMENT DECLARATIONS****POLICY LEVEL****COVERED PROPERTY**

Insurance applies only to those coverages designated by an X below:

☒ **Scheduled Items-Limit**

\$105,000

SCHEDULE

| Item No | Description of Equipment | Limit of Insurance* | Deductible | Coinsurance | Valuation (ACV,RC,AV) |
|---------|--------------------------|---------------------|------------|-------------|-----------------------|
|---------|--------------------------|---------------------|------------|-------------|-----------------------|

REFER TO IM DECLARATION FORM G55232

* if "BLANKET" is shown, Blanket coverage on equipment used in your business limits apply.

☐ **As per itemized list on file with the company dated:**

The limit of insurance for any one item will not exceed the amount shown in the itemized list. The total limit of covered equipment is shown.

As per itemized list on file with the company-Deductible☐ **Blanket coverage on equipment used in your business-Limit**

Limit Per Item

Blanket coverage-Deductible☐ **Equipment Leased or Rented to Others**

Items may be included in Scheduled Items or Itemized List On File.

Limit Per Occurrence

Limit Per Item

Equipment Leased or Rented to Others-Deductible

If a deductible is shown, no other deductible applies.

☐ **Blanket coverage on small tools used in your business-Limit**

Limit Per Item

Small Tools-Deductible☐ **Blanket coverage on employee tools and work clothing**

Limit

Limit Per Item

Limit Per Employee

Employee tools and work clothing-Deductible☒ **Blanket Coverage on Short-Term Equipment Leased, Borrowed Or Rented From Others**

Limit Per Occurrence

\$50,000

Limit Per Item

\$25,000

Short-Term Equipment Leased, Borrowed or Rented From Others-Deductible

\$1,000

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BUSINESS INCOME, CONTRACTUAL PENALTIES AND EXTRA EXPENSE

Limit of Insurance
Maximum Per Day
Waiting Period

ADDITIONAL CONDITIONS**Percentage Deductible**

The following Percentage Deductible applies to all Covered Property or coverage(s) listed where PERCENTAGE is specified:

of the value of the item, or the largest value if two or more items are involved in the same loss, but not less than , nor more than .

Reporting Conditions

| Covered Property | Rate | Premium Base |
|---|------|--------------|
| Short Term Equipment Leased, Borrowed or Rented from Others | | |
| Unscheduled Equipment Leased or Rented to Others | | |
| Blanket coverage on equipment used in your business | | |

Reporting Period
Premium Adjustment Period

Maximum per Occurrence Limit-any one loss

\$295,000

Minimum Earned Premium

Coinsurance

80%

Applies to all Covered Property:

- (1) unless "Waived" is specified in the Schedule;
- (2) unless a different coinsurance percentage is shown in the Schedule; or
- (3) except for categories excluded in Sec. F.3.c. (Additional Conditions) of this Coverage Form.

Valuation

Actual Cash Value

Applies to all Covered Property unless otherwise specified in the Schedule.



CONTRACTORS EQUIPMENT DECLARATIONS

ADDITIONAL COVERAGE and COVERAGE EXTENSION SCHEDULE

Additional Coverages

| | |
|---|----------|
| a. Arson and Crime Reward Payments | \$5,000 |
| b. Data Restoration Expense | \$25,000 |
| c. Debris Removal Additional Amount | \$25,000 |
| d. Fire Department Service Charge and Extinguishing Expense | \$25,000 |
| e. Loss Adjustment Expense | \$25,000 |
| f. Maintenance Supplies, Spare Parts and Fuel | \$10,000 |
| g. Recharge of Fire Protection Equipment | \$25,000 |

Coverage Extensions

| | |
|--|-------------|
| a. Equipment Loaned to Others | INCLUDED |
| b. Expediting Expense | \$50,000 |
| c. Newly Acquired Property | |
| (1) Per Occurrence | \$500,000 |
| (2) Per Item | \$25,000 |
| (3) Property Damage Deductible | \$1,000 |
| (4) Business Income, Contractual Penalties and Extra Expense Per Day | |
| (5) Business Income, Contractual Penalties and Extra Expense Per Occurrence | |
| (6) Time Limit | 120 days |
| d. Pollutant Clean Up and Removal | \$50,000 |
| e. Preservation of Property | INCLUDED |
| f. Rental Reimbursement | NOT COVERED |
| (1) Per Occurrence | |
| (2) Aggregate | |
| (3) Waiting Period | |
| g. Unintentional Errors and Omissions | \$25,000 |
| h. Waterborne Property in Transit | INCLUDED |
| i. Waterborne Property | NOT COVERED |
| j. Weight of Load | INCLUDED |

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**VALUABLE PAPERS AND RECORDS SCHEDULE****LIMITS OF INSURANCE**

| A. PROPERTY AT YOUR PREMISES | | Limit of Insurance |
|-------------------------------------|-------|--------------------|
| 1. Address | | |
| 12A MAPLE AVE | | \$ 1,000,000 |
| PINE BROOK, NJ 07058 | | |
| a. Specifically Described Property | | |
| Item No. Description | | \$ |
| | | \$ |
| | | \$ |
| | Total | \$ |
| b. All Other Covered Property | | \$ |
| B. PROPERTY AWAY FROM YOUR PREMISES | | \$ |

DEDUCTIBLE

| | |
|--------------------------|----------|
| The Deductible amount is | \$ 1,000 |
|--------------------------|----------|

DESCRIPTION OF RECEIPTABLES

| Loc. No. | Bldg. No. | Description |
|----------|-----------|--|
| 1 | 1 | Type N - Not enclosed in a metal cont. |

SPECIAL PROVISIONS (if any)

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COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

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- a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything

necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage;
or

3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

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VALUABLE PAPERS AND RECORDS COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F – Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this coverage form, means "valuable papers and records" that are your property or property of others in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Property not specifically declared and described in the Declarations if such property cannot be replaced with other property of like kind and quality;
- b. Property held as samples or for delivery after sale;
- c. Property in storage away from the "premises" shown in the Declarations; or
- d. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

Covered Causes of Loss means Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs a. through c.

- a. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

- b. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this coverage form, if such collapse is caused by one or more of the following:

- (1) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (3) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- (4) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (a) A cause of loss listed in Paragraph (1) or (2);
 - (b) One or more of the following causes of loss: Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this coverage form;
 - (c) Weight of people or personal property; or
 - (d) Weight of rain that collects on a roof.

- c. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this coverage form.

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5. Coverage Extensions**a. Removal**

If you give us written notice within 10 days of removal of your "valuable papers and records" because of imminent danger of loss or damage, we will pay for loss or damage while it is:

- (1) At a safe place away from your "premises"; or
- (2) Being taken to and returned from that place.

This Coverage Extension is included within the Limits of Insurance applicable to the "premises" from which the Covered Property is removed.

b. Away From Your Premises

We will pay up to \$5,000 for loss or damage to Covered Property while it is away from your "premises."

But if a higher Limit of Insurance is specified in the Declarations, the higher limit will apply.

The limit for this Coverage Extension is additional insurance.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

c. War And Military Action

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Exclusions **B.1.a.** through **B.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.

- b. Dishonest or criminal act committed by:

- (1) You, any of your partners, employees, directors, trustees, or authorized representatives;

- (2) A manager or a member if you are a limited liability company;

- (3) Anyone else with an interest in the property, or their employees or authorized representatives; or

- (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- c. Errors or omissions in processing or copying.

But if errors or omissions in processing or copying result in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct loss or damage caused by lightning.

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- f. Unauthorized instructions to transfer property to any person or to any place.
 - g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any property wherever located.
 - d. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinking or expansion as such condition relates to Paragraph (1) or (2).

This Exclusion, **d.**, does not apply to the extent that coverage is provided under the Additional Coverage – Collapse or to collapse caused by one or more of the following: Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

1. Valuation – Specifically Declared Items

The following is added to General Condition **F. Valuation** in the Commercial Inland Marine Conditions:

The value of each item of property that is specifically declared and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.

2. Recoveries

The following is added to Loss Condition **H. Recovered Property** in the Commercial Inland Marine Conditions:

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. If so, your loss or damage will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

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3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

We cover property:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
 - (a) The United States of America (including its territories and possessions);
 - (b) Puerto Rico; and
 - (c) Canada.

b. Protection Of Records

Whenever you are not open for business, and except while you are actually using the property, you must keep all "valuable papers and records" in receptacles that are described in the Declarations.

F. Definitions

1. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities," converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.

2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

3. "Money" means:

a. Currency, coins and bank notes whether or not in current use; and

b. Travelers checks, register checks and money orders held for sale to the public.

4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

a. Tokens, tickets, revenue and other stamps whether or not in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not of your own issue;

but does not include "money."

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE FORM

SCHEDULE

| <u>Location (If Applicable)</u> | <u>Description of Property</u> | <u>Loss Payee (Name & Address)</u> | <u>Provisions Applicable</u> | | |
|-------------------------------------|------------------------------------|--|------------------------------|----------------------------------|-----------------------------|
| | | | <u>Loss Payable</u> | <u>Lender's Loss Payable</u> | <u>Contract Of Sale</u> |

REFER TO INLAND MARINE LOSS PAYEE SCHEDULE

A. When this endorsement is attached to your Commercial Inland Marine Coverage Form the term Coverage Form in this endorsement is replaced by the term Policy.

B. LOSS PAYABLE

The following is added under the Loss Conditions section of the Commercial Inland Marine Conditions, Paragraph E. – Loss Payment:

For Covered Property in which both you and a Loss Payee shown in the above Schedule have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the above Schedule is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:

- a. Bills of lading;
- b. Financing statements;
- c. Chattel mortgages.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear;
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property;
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of

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your acts or because you have failed to comply with the terms of this Coverage Form:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principle on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added under the Loss Condition section of the Commercial Inland Marine Conditions, Paragraph **F. – Other Insurance**:

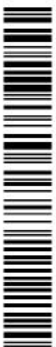
For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.



CONTRACTORS EQUIPMENT COVERAGE FORM

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CONTRACTORS EQUIPMENT COVERAGE FORM

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and what is not covered.

Throughout this Policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G – DEFINITIONS**.

A. COVERAGE

Subject to the Limits of Liability specified in the Declarations, and all other Policy provisions "we" will pay for direct physical "loss" to Covered Property described herein from any Covered Cause of Loss.

1. **Covered Property**, as used in this Coverage Form, means the contractors equipment property described in the Declarations page and subject to **Section A.2. (Property Not Covered)** below. This Covered Property may be "your" property, or the property of others in "your" care, custody or control.

2. Property Not Covered

a. Automobiles, motor trucks, tractors, trailers and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:

(1) Self-propelled vehicles designed and used primarily to carry mounted Covered Property, or

(2) Vehicles designed for highway use that are unlicensed and not operated on public roads;

b. Aircraft or watercraft;

c. Contraband, or property in the course of illegal transportation or trade;

d. Equipment leased or rented to others, unless indicated in the Declarations;

e. Equipment loaned to others, except as provided in **Section A. Coverage Extension 6.a.**;

f. Property while airborne;

g. Property while waterborne, except as provided in **Section A. Coverage Extension 6.h. or in Coverage Extension 6.i.**

3. Time Element

a. Business Income, Contractual Penalties and Extra Expense

(1) As used in this Coverage Form:

(a) **Business Income** means:

(i) Net income including net rental income (net profit or "loss" before income taxes) that would have been earned or incurred; and

(ii) Continuing normal operating expenses incurred.

But, Business Income does not include any incentive bonus which would have been received if the project had been completed ahead of schedule.

(b) **Contractual Penalties** means amounts which, under the terms of "your" contract, "you" are required to pay due to "your" inability to fulfill the contractual obligations due to a delay. "Your" inability to fulfill contractual obligations due to a delay must be as a direct result of a "loss" to "your" Covered Property due to a Covered Cause of Loss.

(c) **Extra Expense** means necessary additional expenses "you" incur to avoid or minimize the suspension of business and to continue operations. This includes additional expenses incurred to make temporary repairs to, and expedite the permanent repair or replacement of Covered Property that is damaged by a Covered Cause of Loss, such as overtime and the additional cost of express or other means of rapid transportation.

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All necessary expenses that "you" incur to reduce "loss" of Business Income other than Fire Department Service Charges and Extinguishing Expenses, but "we" will not pay more than the actual amount by which the "loss" of Business Income is reduced.

(2) "We" will pay for;

- (a) The actual "loss" of Business Income "you" sustain during the "period of restoration," after the waiting period. If applicable, "we" will deduct from this amount all charges and expenses which do not necessarily continue during the "period of restoration."
- (b) The actual "loss" of Business Income "you" sustain directly from a total or partial "loss" to "your" Covered Property, but no more than the Maximum Per Day Limit of Insurance specified in the Declarations for each day "your" operations are suspended.

This period of time will not be limited by the expiration date of the Policy.

- (3) The most "we" will pay for all "loss" of Business Income, Contractual Penalties and Extra Expense arising out of any one occurrence under this Coverage Form is the Business Income, Contractual Penalties and Extra Expense Limit of Insurance specified in the Declarations.
- (4) A Waiting Period Deductible is the amount of time, immediately following the date and time of direct physical "loss," during which "you" are responsible for the amount of Business Income "loss" sustained or Contractual Penalties incurred or Extra Expense incurred. "We" will then pay the amount of Business Income "loss" sustained and Contractual Penalties incurred and Extra Expense incurred during the remainder of the "Period of Restoration," up to the Limit of Insurance specified in the Declarations that applies to this Coverage. The Waiting Period Deductible that applies to "your" coverage for "loss" of Business Income, Contractual Penalties and Extra Expense is the Business Income, Contractual Penalties and Extra Expense Waiting Period Deductible specified in the Declarations. No other Deductible applies to the insurance provided under this Coverage Form.
- (5) "We" will discontinue payments for "loss" when:
 - (a) The total amount paid for the "loss" of income equals the per occurrence Limit of Insurance specified in the Declarations; or
 - (b) The "Period of Restoration" is completed, whichever occurs first.

4. Covered Causes of Loss

Covered Causes of Loss means all causes of direct physical "loss" except those causes of loss listed in **Section B. (EXCLUSIONS)**.

5. Additional Coverages

a. Arson and Crime Reward Payments

- (1) In the event of an arson, theft or vandalism "loss" to which the insurance provided by this Coverage Form applies, "we" will reimburse "you" for amounts "you" offer, and subsequently pay, as a reward to anyone, other than "you" or "your" officers, partners or directors, for information leading to:
 - (a) The arrest and conviction of any person(s) responsible for the arson, theft or vandalism "loss"; or
 - (b) The recovery of the stolen property.
- (2) The most "we" will pay under this Additional Coverage for all rewards paid for information regarding any one arson, theft, or vandalism "loss" is the Arson and Crime Reward Payments Limit of Insurance specified in the Declarations.
- (3) No deductible applies to this Additional Coverage.

b. Data Restoration Expense

- (1) The insurance provided by this Coverage Form covers "your" costs to research, replace or restore the lost data on lost or damaged "media" which is used in or with "your" Covered Property.
- (2) This Additional Coverage applies only if the direct physical "loss" is caused by or results from a Covered Cause of Loss.

- (3) The most "we" will pay in any one occurrence under this Additional Coverage for "your" costs to research, replace, or restore the lost data on lost or damaged "media" is the Data Restoration Expense Limit of Insurance specified in the Declarations.

c. Debris Removal

- (1) "We" will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.
- (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical "loss."
- (3) The most "we" will pay under this Additional Coverage is 25% of:
- (a) The amount "we" pay for the direct physical "loss" to Covered Property, plus
 - (b) The Deductible in this Policy applicable to that "loss."

But, this limitation does not apply to any additional debris removal limit provided under the **Additional Coverage and Coverage Extension** Declarations Schedule.

- (4) This Additional Coverage does not apply to costs to:
- (a) Extract "pollutants" from land or water, or
 - (b) Remove, restore, or replace polluted land or water.

d. Fire Department Service Charge and Extinguishing Expense

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, "we" will pay up to the Fire Department Service Charge and Extinguishing Expense Limit of Insurance specified in the Declarations for "your" liability for fire department service charges:

- (1) Assumed by contract or agreement prior to "loss"; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

e. Loss Adjustment Expense

In the event of covered "loss" under this Coverage Form, "we" will pay for reasonable expenses incurred by "you," at our request, to assist us in the determination of the amount of "loss," such as taking inventory and appraisals.

"We" will not pay for public adjusters' fees.

No Deductible applies to this Additional Coverage.

f. Maintenance Supplies, Spare parts and Fuel

"We" will pay for "loss" to spare parts and accessories for Covered Property, fluids for vehicles including fuel oil, grease, and similar maintenance supplies usual to "your" operations caused by or resulting from a Covered Cause of Loss. This Additional Coverage does not apply to products, such as fuels in underground tanks.

g. Recharge of Fire Protection Equipment

"We" will pay the cost to recharge discharged Fire Protection Equipment whether or not there is direct physical "loss" to Covered Property. The most "we" will pay for this Additional Coverage is the Recharge of Fire Protection Limit of Insurance specified in the Declarations.

6. Coverage Extensions

a. Equipment Loaned To Others

If Equipment Loaned to Others is shown as INCLUDED in the Declarations, "we" will pay for direct physical "loss" as a result of a Covered Cause of Loss to Equipment Loaned to Others for a period of less than 12 Months.

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b. Expediting Expenses

"We" will pay reasonable and necessary costs incurred by the insured to expedite repairs to Covered Property following "loss" covered under this Coverage Form. This includes payment of overtime wages and extra cost to use express or other rapid means of transportation. However, coverage is not included hereunder for costs recoverable elsewhere in the Policy or for permanent repair or replacement of damaged Covered Property. The most "we" will pay under this Coverage Extension is the Expediting Expenses Limit of Insurance specified in the Declarations.

c. Newly Acquired Property

- (1) The insurance provided by this Coverage Form is extended to apply to direct physical "loss" to property of the type described in the Declarations which "you" acquire during the policy period.

"We" will also pay for the actual "loss" of Business Income "you" sustain and Contractual Penalties "you" incur and necessary Extra Expense "you" incur during the "Period of Restoration" due to direct physical "loss" or damage to the "Newly Acquired Property."

- (2) Insurance under this Coverage Extension applies only if the direct physical "loss" or damage is caused by or results from a Covered Cause of Loss.

- (3) The most "we" will pay in any one occurrence under this Coverage Extension is the Limits of Insurance specified in the Declarations for:

- (a) "Newly Acquired Property" Limit per item;
- (b) "Newly Acquired Property" limit per occurrence;
- (c) Business Income, Contractual Penalties and Extra Expense from "Newly Acquired Property" Limit per day;
- (d) Business Income, Contractual Penalties and Extra Expense from "Newly Acquired Property" Limit per occurrence.

- (4) The Deductible that applies to the Business Income, Contractual Penalties, and Extra Expense coverage afforded **under Section A.3.a. Time Element** of this Coverage Form also applies to this Coverage Extension for "loss" of Business Income, Contractual Penalties and Extra Expense. No other Deductible applies to this coverage for "loss" of Business Income, Contractual Penalties and Extra Expense.

- (5) The insurance provided under this Coverage Extension for each newly acquired piece of Covered Property will end when any of the following first occurs:

- (a) The Policy expires;
- (b) The "Newly Acquired Property" Time Limit specified in the Declarations has lapsed; or
- (c) "You" report the value of the Covered Property to us.

"We" will charge "you" additional premium for values reported from the date "you" acquire the Covered Property.

d. Pollutant Clean Up and Removal

"We" will pay "your" expense to extract "Pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "Pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to "us" in writing within 180 days of the date on which the Covered Loss occurs.

This Coverage Extension does not apply to costs to test for, monitor or assess the existence, concentration or effects of "Pollutants," but, "we" will pay for testing which is performed in the course of extracting the "Pollutants" from the land or water.

The most we will pay for the sum of all covered expenses arising out of Covered Cause of Loss occurring during each separate 12 month period of this Policy is the Pollutant Clean Up and Removal Limit of Insurance specified in the Declarations.

e. Preservation of Property

If it is necessary to move Covered Property from a premises to preserve it from "loss" by a Covered Cause of Loss, "we" will pay for any direct physical "loss" to that Covered Property:

- (1) While it is being moved, or while temporarily stored at another location; and
- (2) Only if the "loss" occurs within 30 days after the Covered Property is first moved.

f. Rental Reimbursement

We will reimburse "you" for the rental of equipment that is necessary to replace owned Covered Property and Covered Property in "your" care, custody and control, and that was made inoperable due to direct physical "loss" by a Covered Cause of Loss.

"We" will not reimburse "you" if "you" have other similar equipment available to "you" at no additional expense, which can be used to continue or resume "your" operations.

A Waiting Period Deductible is the amount of time, immediately following the date and time of direct physical "loss," during which "you" are responsible for the amount of rental reimbursement "loss" incurred. The Waiting Period Deductible that applies to "your" coverage for "loss" of rental reimbursement is the Rental Reimbursement Waiting Period Deductible specified in the Declarations. "Our" payment will be limited to expenses incurred during the period beginning after the Rental Reimbursement Waiting Period Deductible, and ending when the Covered Property has been replaced, restored to service or is no longer needed, whichever occurs first. "Our" payment will not be limited by the expiration date of the Policy. No other Deductible applies to this Coverage Extension.

The most "we" will reimburse "you" for rental expense in any one occurrence under this Coverage Extension is specified in the Declarations. "We" will not pay more for all rental expenses in any one Policy year than the Aggregate Limit of Insurance for Rental Expense specified in the Declarations.

g. Unintentional Errors and Omissions

This insurance shall not be prejudiced by any unintentional or inadvertent error, omission, incorrect valuation or incorrect description of the interest, risk or property, provided notice is given to the Company as soon as practicable upon discovery of any such error, omission, incorrect valuation or incorrect description. The most "we" will pay under this Coverage Extension is the Unintentional Errors and Omissions Limit of Insurance specified in the Declarations.

h. Waterborne Property in Transit

If Waterborne Property in Transit is shown as INCLUDED in the Declarations "we" will pay for direct physical "loss" to Waterborne Property in Transit as a result of a Covered Cause of Loss.

i. Waterborne Property

If Waterborne Property, other than Waterborne in Transit, is shown as INCLUDED in the Declarations, "we" will pay for direct physical "loss" to Waterborne Property as a result of a Covered Cause of Loss.

j. Weight of Load

"We" will pay for "loss" due to Weight of Load exceeding the registered lifting capacity of any Covered Property under normal operating conditions at the time of "loss" if Weight of Load is shown as INCLUDED in the Declarations.

B. EXCLUSIONS

1. "We" will not pay for "loss" caused directly or indirectly by any of the following causes - such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss":

a. Governmental Action

Seizure or destruction of Covered Property by order of governmental authority. But, "we" will pay for "loss" caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would otherwise be covered under this Coverage Form.

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b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused. But if nuclear reaction or radiation, or radioactive contamination results in fire, "we" will pay for the "loss" caused by that fire.

c. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. "We" will not pay for "loss" caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or, except as specifically provided, consequential "loss" of any nature.
- b. Unexplained disappearance, except for unexplained disappearance of Covered Property in the custody of a carrier for hire.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal acts by "you," any of "your" partners, employees, directors, trustees or authorized representatives, or anyone to whom "you" entrust the Covered Property for any purpose, other than a carrier or other bailee for hire.

This Exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This Exclusion does not apply to acts of destruction by employees, but theft by employees is not covered.

- e. Voluntary parting with any property by "you" or anyone else to whom "you" have entrusted the Covered Property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- f. Discharge, dispersal, seepage, migration, release, or escape of "Pollutants":
 - (1) Unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss"; or
 - (2) Except as provided for under the Coverage Extension Pollutant Clean Up and Removal.

But if "loss" by the "specified causes of loss" results from the discharge, dispersal, seepage, migration, release or escape of "pollutants," we will pay for the resulting "loss" caused by the "specified cause of loss."
- g. The weight of a load exceeding the registered lifting capacity of any machine under the operating conditions at the time of "loss," except as provided in **Section A.6.j.**

3. "We" will not pay for direct physical "loss" caused by or resulting from any of the following causes of "loss" (3. a. through 3.j.), but, if any excluded cause of "loss" listed in said 3.a. through 3.j. results in a Covered Cause of Loss, "we" will pay for "loss" caused by that Covered Cause of Loss:

- a. Weather conditions - but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **Section B. Exclusion 1.** of this Coverage Form to produce the direct physical "loss";
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body;
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, installation, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, installation, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any Covered Property, wherever located.

- d. Wear and tear, rust, corrosion, fungus, decay, depreciation, gradual deterioration, hidden or latent defect, or any quality in the Covered Property that causes it to damage or destroy itself;
 - e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
 - f. Dampness or dryness of atmosphere, changes in or extremes of temperature, marring or scratching, breakage of tubes, bulbs, lamps or articles made largely of glass (except lenses) but, "we" will pay for such "loss" caused directly by the "Specified Causes of Loss" when those "Specified Causes of Loss" are Covered Cause of Loss;
 - g. "Computer Virus";
 - h. Malfunction or failure of Covered Property to operate, due to, but not limited to adjustment, alignment, calibration, cleaning or modification;
 - i. Functioning of any safety or protective device; and/or
 - j. Mechanical breakdown or any artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.
4. The following additional **exclusions** apply only to the insurance provided under this Coverage Form for "loss" of "Business Income" and "Extra Expense." "We" will not pay for:
- a. "Loss" of "Business Income" or "Extra Expense" caused by or resulting from programming errors or faulty machine instructions.
 - b. Any increase of "loss" of "Business Income" or "Extra Expense" caused by or resulting from:
 - (1) Delay in rebuilding, repairing or replacing damaged Covered Property or in resuming "your" business operations, due to interference by strikers or other persons at "your" premises or the premises of "your" normal business operations; or
 - (2) Suspension, lapse, or cancellation of any license, lease, or contract. But if the suspension, lapse or cancellation is directly caused by the interruption of "your" business operations, "we" will cover such "loss" that affects "your" "Business Income" during the "Period of Restoration"; or
 - c. Any other consequential "loss."

C. LIMITS OF INSURANCE

- 1. The most "we" will pay for "loss" in any one occurrence is the Maximum Per Occurrence Limit specified in the Declarations.
- 2. Except where specifically indicated otherwise, payments under any Additional Coverages are in addition to the Property and Time Element Limits of Insurance.
- 3. Except where specifically indicated otherwise, payment under the Coverage Extensions does not increase the applicable Property and Time Element Limits of Insurance.
- 4. The most "we" will pay for any Additional Coverage or any Extension of Coverage under this Coverage Form is the Limit of Insurance specified in the Declarations.

D. DEDUCTIBLE

"We" will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible amount specified in the Declarations. "We" will then pay the adjusted "loss" in excess of the Deductible amount, or Percentage Deductible up to the applicable Limit of Insurance. If a "loss" involves two or more Covered Property items, the Percentage Deductible will apply only to the Covered Property with the highest value at the time of "loss." Except as may be otherwise provided in this Policy, in the event of any one Occurrence where two or more Deductibles apply, the total to be deducted shall not exceed the largest Deductible applicable, except that in the event of one Occurrence, where both a physical damage and a Time Element deductible are involved, each such Deductible shall apply separately.

E. VALUATION CONDITIONS

General Conditions F. Valuation in the Commercial Inland Marine Conditions is replaced by the following:

- 1. In the event of "loss," the value of Covered Property will be determined as of the time of "loss."



2. If a covered "loss" occurs to an item of Covered Property and the total amount of this "loss" is less than 20% of the value of the item at the time of "loss," no depreciation will be applied to the damaged Covered Property in the settlement of the claim.
3. We will deduct the amount of any security deposit you retain on Covered Property leased or rented to others from what we would otherwise pay in the settlement of a claim.

4. Actual Cash Value (ACV)

- a. Unless otherwise indicated on the Declarations or in Section E.4.b. below, the value of Covered Property will be the least of the following amounts:
 - (1) The actual cash value of the lost or damaged Covered Property at the time of direct physical loss or damage;
 - (2) The cost of repairing the lost or damaged Covered Property with other property of like kind and quality;
 - (3) The cost of replacing the lost or damaged Covered Property with other property of like kind and quality;
 - (4) If the Covered Property is leased or rented, "your" liability imposed by law or assumed by contract; or
 - (5) The Limit of Insurance applicable to the lost or damaged Covered Property.
- b. With respect to Equipment Leased or Rented From Others, if the written lease or rental agreement requires that "you" insure such property on a replacement cost basis, the valuation is changed to replacement cost as described in Section E.5. of this Coverage Form below.

5. Replacement Cost (RC)

If Replacement Cost is indicated in the Declarations, the following valuation provisions will apply:

- a. In the event of a "loss," "we" will determine the value of lost or damaged Covered Property on the basis of replacement cost without deduction for depreciation.
- b. "We" will establish the value of the "loss" at the time of its occurrence, but "we" will not pay more than the least of:
 - (1) The cost of repairing the lost or damaged Covered Property with property of like kind and quality;
 - (2) (i) The cost of replacing the lost or damaged Covered Property with property of like kind and quality; or
(ii) If replacement with property of like kind and quality is not possible, the cost of replacing the lost or damaged property with property of the nearest better kind and quality available;
 - (3) The amount "you" actually spend that is necessary to repair or replace the lost or damaged Covered Property; or
 - (4) If the Covered Property is leased or rented, "your" liability imposed by law or assumed by contract; or
 - (5) The Limit of Insurance applicable to the lost or damaged Covered Property.
- c. "We" will not pay on a replacement cost basis for any "loss":
 - (1) Until the lost or damaged Covered Property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the "loss."
- d. "You" may make a claim for "loss" covered by this Coverage Form on an actual cash value basis (as described in Section E.4.a. above of this Coverage Form **(Actual Cash Value (ACV))** instead of on a replacement cost basis. In the event "you" elect to have a "loss" settled on an actual cash value basis, "you" may still make a claim on a replacement cost basis if "you" notify "us" of "your" intent to do so within 180 days after the "loss."

6. Agreed Value (AV)

If Agreed Value is indicated in the Declarations, "we" will determine the value of the Covered Property as follows:

- a. With respect to individual items listed in the Schedule on file with "us," each item is valued at and insured for the amount indicated in the Schedule and without depreciation.
- b. With respect to items not listed in the Schedule on file with "us" with a specific limit but covered under the terms of this Policy, each item shall be valued at and insured for:

- (1) if owned by "you," the cost price to "you," without deduction for depreciation, or
- (2) If not owned by "you," the amount for which "you" may be legally liable contractually or otherwise.

Notwithstanding the foregoing, "we" may elect to repair any damaged Covered Property or replace any damaged Covered Property with another of like quality and value.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Carriers for Hire

"You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the Covered Property.

2. Coverage Territory

"We" will cover Covered Property wherever located within:

- a. The United States of America
- b. Puerto Rico; and
- c. Canada.

3. Coinsurance

- a. All Covered Property must be insured for at least the percentage coinsurance amount, as specified in the Declarations, of its value as of the time of "loss" or "you" will incur a penalty.
- b. The penalty is that "we" will pay only the proportion of any "loss" that the Limit of Insurance specified in the Declarations for the lost or damaged Covered Property bears to the Coinsurance percentage of its value as of the time of "loss."
- c. Coinsurance does not apply:
 - (1) if waived on the Declarations;
 - (2) to Small Tools;
 - (3) to Employee Tools and Work Clothing; or
 - (4) "Short Term Equipment Leased, Borrowed or Rented From Others."

4. Deductible Waiver for Pre-Loss Risk Protection

- a. In the event of a theft "loss," we agree to waive the Deductible amount - up to \$10,000 - if any piece of stolen Covered Property:
 - (1) is protected by a LoJack Stolen Vehicle Police Recovery System; or
 - (2) is registered on the National Equipment Register (NER) database prior to the date and time of theft.
- b. The following provisions are added to the Commercial Inland Marine Conditions, "Duties In The Event Of Loss":
 - (1) For Covered Property protected by a LoJack Stolen Vehicle Police Recovery System:
 - (a) Work with the police having jurisdiction in the area which the theft occurred to insure that the piece of Covered Property is entered as a vehicle into their computer system; and
 - (b) Provide LoJack with the same information you provided the local law enforcement agency.
 - (2) For Covered Property registered on the National Equipment Register Database:
 - (a) Ensure that a report of theft is submitted to law enforcement and that the NER is also notified of the loss; and
 - (b) Provide evidence, or request that the NER provide evidence, that the Covered Property is registered in the NER database when claiming a Deductible waiver.

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5. Minimum Earned Premium

If a Minimum Earned Premium is specified in the Declarations, this is the minimum premium "we" will earn and retain regardless of the Policy's term except when the Policy is rescinded or cancelled as of the Policy effective date.

6. Reporting Conditions

Subject to the "Reporting Period" indicated in the Declarations, the Reporting Conditions will be as follows:

- a. Within 30 days after the end of each "reporting period," "you" must file with "us" reports of the Premium Base(s) shown in the Declarations.
- b. If, at the time of "loss," "you" have failed to file with us:
 - (1) The first required report, "we" will not pay more than 90% of the amount "we" would otherwise have paid;
 - (2) Any required report after the first report; "we" will not pay more than the value stated in the last report filed with us before the "loss."
- c. "We" will not pay more than the applicable Limit of Insurance even if the value "you" report exceeds the limit.
- d. After each Premium Adjustment Period, "we" will compute the earned premium using the rate indicated multiplied by the average reported values, per \$100. The average reported value is determined by dividing the total reported values by the number of reports, including the report of values at Policy inception.
- e. The premium specified in the Declarations is a deposit premium. When the "reporting period" is:
 - (1) On an annual basis, "we" will compare the total computed premium to the deposit premium. If the computed premium is:
 - (a) More than the deposit premium, "you" will pay us the difference; or
 - (b) Less than the deposit premium, "we" will pay "you" the difference.
 - (2) On other than an annual basis, "we" will apply the computed premium to the deposit premium until it is used up. "You" will pay us all premiums that exceed the deposit premium.
 - (a) "You" must pay at least the minimum premium specified in the Declarations. The minimum premium will only apply when the computed premium for the policy period is less than the minimum premium and the policy period is fully completed.
 - (b) If this insurance is cancelled, "you" must report the total value of all Covered Property up to and including the date of cancellation.

7. Resume Operations

The following applies when Business Income, Contractual Penalties and Extra Expense is indicated in the Declarations:

"You" must take all reasonable steps to minimize "your" loss of Business Income either by making use of "your" own property or by using other property to continue "your" operations. "You" must also resume at least partial operations as soon as practicable after a "loss."

G. DEFINITIONS

- 1. "Computer Virus" means any "software" introduced or implanted without authorization into "hardware" or "Software" which causes the corruption, distortion, deletion, destruction, unauthorized copying or "loss" of functionality of "software."
- 2. "Employee":
 - a. "Employee" means:
 - (1) Any natural person:
 - (a) while in "your" service or for 30 days after termination of service;
 - (b) who "you" compensate directly by salary, wages or commissions; and
 - (c) who "you" have the right to direct and control while performing services for "you."

- (2) Any natural person who is furnished temporarily to "you";
- (a) to substitute for a permanent "employee" as defined in Paragraph above;
 - (b) who is on leave; or
 - (c) to meet seasonal or short-term work load conditions,
- while that person is subject to "your" direction and control and performing services for "you," excluding any such person while having care, and custody of Covered Property not on "your" premises.
- (3) Any natural person who is leased to "you" under a written agreement between "you" and a labor leasing firm, to perform duties related to the conduct of "your" business, but does not mean a temporary "employee" as defined in Section **G.2.a.(2)** above;
- (4) Any natural person who is a former "employee," director, partner, member, manager, representative or trustee retained as a consultant while performing services for "you"; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care, and custody of Covered Property outside the premises.
- b. "Employee" does not mean:
- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee."
3. "Hardware" means a network of electronic machine components capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" does not include "software."
4. "Loss" means accidental loss of or damage to the Covered Property.
5. "Media" means processing, recording, or storage materials used with "hardware." This includes but is not limited to films, tapes, cards, discs, drums, cartridges, or cells.
6. "Newly Acquired Property" means property purchased or borrowed by you during the policy period but does not include property you rent, hire or lease from others, except property for which you have a written rent or lease agreement of no less than 12 months.
7. "Period of Restoration" means the period of time that;
- a. begins with the date of direct physical "loss" caused by or resulting from any Covered Cause of Loss to a Scheduled item; and
 - b. ends on the date when the Covered Property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- a. regulates the construction, use or repair, or requires the tearing down of any property or Covered Property; or
 - b. requires any insured or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."
- The expiration of the Policy will not cut short the "Period of Restoration."
8. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
9. "Premium base" means the basis upon which the premium for the Covered Property which "you" lease or rent will be determined. The "premium base" is shown in the Declarations.
10. "Reporting Period" means the period of time for which new reports of value are due, as specified in the Declarations:
- a. Monthly, reports must show values as of the last day of the month; and the "reporting period" ends on the last day of each month.

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CNA PARAMOUNT
Professional Services
General Liability Coverage Part Declarations

Policy Number: 6056872807

1. Named Insured and mailing address

Name: SOILS ENGINEERING SERVICES, INC.

Address: 12A MAPLE AVE

PINE BROOK, NJ 07058-9837

2. Type of Organization

Corporation

3. Limits of Insurance, Deductible

| | |
|---|-------------|
| General Aggregate Limit | \$2,000,000 |
| Products/Completed Operations Aggregate Limit | \$2,000,000 |
| Personal And Advertising Injury Limit | \$1,000,000 |
| Each Occurrence Limit | \$1,000,000 |
| Damage To Premises Rented To You Limit | \$100,000 |
| Medical Expense Limit – Any One Person | \$15,000 |

4. Premium, Surcharges Taxes and Fees at Issuance

| | |
|---|------------|
| Total Premium for this Coverage Part | [REDACTED] |
| New Jersey PLIGA Surcharge | [REDACTED] |
| Total Premium, Surcharges Taxes and Fees for this Coverage Part | [REDACTED] |

Your Premium includes the following amount for
 Certified Acts of Terrorism

[REDACTED]

5. Audit Period:

Annual

**CNA PARAMOUNT**

Additional Declarations - General Liability Schedule of Locations and Coverages

Policy Number: 6056872807

Policy Level

| Coverage/Hazard Description | Exposure | Premium Basis | Rate | Estimated Premium |
|--|----------|---------------|------|-------------------|
| General Liability Extension Endorsement | | (SL) | 1% | |
| Subcontractor's Blanket Additional Insured | | (SL) | 10% | |

Location Level

| Location Number 1 | Location Address: 12A MAPLE AVE PINE BROOK, NJ 07058 | | | |
|---|---|---------------|-------|-------------------|
| Coverage/Hazard Description | Exposure | Premium Basis | Rate | Estimated Premium |
| Class Code 92663 Engineers or Architects - consulting - not engaged in actual construction. Products-completed operations are subject to the General Aggregate Limit. | | | | |
| Premises & Operations | 1,676,057 | (P) | 3.153 | |
| Location Sub-Total | | | | |





CNA PARAMOUNT

Commercial General Liability Coverage Part

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the **Named Insured** shown in the Declarations, and any other person or organization qualifying as a **Named Insured** under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word **Insured** means any person or organization qualifying as such under Section II – **Who Is An Insured**.

Other words and phrases that appear in bold have special meaning. Refer to Section V – **Definitions**.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the **Insured** becomes legally obligated to pay as **damages** because of **bodily injury** or **property damage** to which this insurance applies. We will have the right and duty to defend the **Insured** against any **suit** seeking those **damages**. However, we will have no duty to defend the **Insured** against any **suit** seeking **damages** for **bodily injury** or **property damage** to which this insurance does not apply. We may, at our discretion, investigate any **occurrence** and settle any claim or **suit** that may result. But:

- (1) The amount we will pay for **damages** is limited as described in Section III – **Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to **bodily injury** and **property damage** only if:

- (1) The **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**;
- (2) The **bodily injury** or **property damage** occurs during the **policy period**; and
- (3) Prior to the **policy period**, no **Insured** listed under Paragraph 1. of Section II – **Who Is An Insured** and no **employee** authorized by you to give or receive notice of an **occurrence** or claim, knew that the **bodily injury** or **property damage** had occurred, in whole or in part. If such a listed **Insured** or authorized **employee** knew, prior to the **policy period**, that the **bodily injury** or **property damage** occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**.

- c. **Bodily injury** or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any **Insured** listed under Paragraph 1. of Section II – **Who Is An Insured** or any **employee** authorized by you to give or receive notice of an **occurrence** or claim, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

- d. **Bodily injury** or **property damage** will be deemed to have been known to have occurred at the earliest time when any **Insured** listed under Paragraph 1. of Section II – **Who Is An Insured** or any **employee** authorized by you to give or receive notice of an **occurrence** or claim:

- (1) Reports all, or any part, of the **bodily injury** or **property damage** to us or any other insurer;
- (2) Receives a written or verbal demand or claim for **damages** because of the **bodily injury** or **property damage**; or
- (3) Becomes aware by any other means that **bodily injury** or **property damage** has occurred or has begun to occur.

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CNA PARAMOUNT

Commercial General Liability Coverage Part

- e. **Damages** because of **bodily injury** include **damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.

2. **Exclusions**

This insurance does not apply to:

a. **Expected Or Intended Injury**

Bodily injury or **property damage** expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

b. **Contractual Liability**

Bodily injury or **property damage** for which the **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **damages**:

- (1) That the **Insured** would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an **Insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an **Insured contract**, reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an **Insured** are deemed to be **damages** because of **bodily injury** or **property damage**, provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same **Insured contract**; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which **damages** to which this insurance applies are alleged.

c. **Liquor Liability**

Bodily injury or **property damage** for which any **Insured** may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any **Insured** allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that **Insured**; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the **occurrence** which caused the **bodily injury** or **property damage**, involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. **Workers' Compensation And Similar Laws**

Any obligation of the **Insured** under a workers' compensation, disability benefits or unemployment compensation law or any similar law.



CNA PARAMOUNT

Commercial General Liability Coverage Part

e. Employer's Liability

Bodily injury to:

(1) An **employee** of the **Insured** arising out of and in the course of:

- (a) Employment by the **Insured**; or
- (b) Performing duties related to the conduct of the **Insured's** business; or

(2) The **spouse**, child, parent, brother or sister of that **employee** as a consequence of Paragraph (1) above.

This exclusion applies whether the **Insured** may be liable as an employer or in any other capacity and to any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury.

This exclusion does not apply to liability assumed by the **Insured** under an **Insured contract**.

f. Pollution

(1) **Bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**. However, this subparagraph does not apply to:
 - (i) **Bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) **Bodily injury** or **property damage** for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional **Insured** with respect to your ongoing operations performed for that additional **Insured** at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any **Insured**, other than that additional **Insured**; or
 - (iii) **Bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**;
- (b) At or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any **Insured**; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations if the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) **Bodily injury** or **property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury** or **property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **Insured**, contractor or subcontractor;

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CNA PARAMOUNT

Commercial General Liability Coverage Part

(ii) **Bodily injury** or **property damage** sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) **Bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**.

(e) At or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**.

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or

(b) Claim or suit by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

However, this paragraph does not apply to liability for **damages** because of **property damage** that the **Insured** would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or **suit** by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

Bodily injury or **property damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **auto** or watercraft owned or operated by or rented or loaned to any **Insured**. Use includes operation and **loading or unloading**.

This exclusion applies even if the claims against any **Insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**, if the **occurrence** which caused the **bodily injury** or **property damage** involved the ownership, maintenance, use or entrustment to others of any aircraft, **auto** or watercraft that is owned or operated by or rented or loaned to any **Insured**.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an **auto** on, or on the ways next to, premises you own or rent, provided the **auto** is not owned by or rented or loaned to you or the **Insured**;

(4) Liability assumed under any **Insured contract** for the ownership, maintenance or use of aircraft or watercraft; or

(5) **Bodily injury** or **property damage** arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of **mobile equipment** if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

(b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of **mobile equipment**.



CNA PARAMOUNT

Commercial General Liability Coverage Part

h. Mobile Equipment

Bodily injury or **property damage** arising out of:

- (1) The transportation of **mobile equipment** by an **auto** owned or operated by or rented or loaned to any **Insured**; or
- (2) The use of **mobile equipment** in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

Bodily injury or **property damage**, however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

Property damage to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the **Insured**;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the **property damage** arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to **property damage** (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – **Limits Of Insurance**.

Paragraph (2) of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

k. Damage To Your Product

Property damage to **your product** arising out of it or any part of it.

l. Damage To Your Work

Property damage to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

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CNA PARAMOUNT

Commercial General Liability Coverage Part

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

Property damage to **impaired property** or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) **Your product**;
- (2) **Your work**; or
- (3) **Impaired property**;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

Bodily injury arising out of **personal and advertising injury**.

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for **damages** because of **bodily injury**.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

Bodily injury or **property damage** arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – **Limits Of Insurance**.



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Commercial General Liability Coverage Part

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the **Insured** becomes legally obligated to pay as **damages** because of **personal and advertising injury** to which this insurance applies. We will have the right and duty to defend the **Insured** against any **suit** seeking those **damages**. However, we will have no duty to defend the **Insured** against any **suit** seeking **damages** for **personal and advertising injury** to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or **suit** that may result. But:

- (1) The amount we will pay for **damages** is limited as described in Section III – Limits Of Insurance; and
 (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to **personal and advertising injury** caused by an offense arising out of your business but only if the offense was committed in the **coverage territory** during the **policy period**.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

Personal and advertising injury caused by or at the direction of the **Insured** with the knowledge that the act would violate the rights of another and would inflict **personal and advertising injury**.

b. Material Published With Knowledge Of Falsity

Personal and advertising injury arising out of oral or written publication, in any manner, of material, if done by or at the direction of the **Insured** with knowledge of its falsity.

c. Material Published Prior To Policy Period

Personal and advertising injury arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

d. Criminal Acts

Personal and advertising injury arising out of a criminal act committed by or at the direction of the **Insured**.

e. Contractual Liability

Personal and advertising injury for which the **Insured** has assumed liability in a contract or agreement. This exclusion does not apply to liability for **damages** that the **Insured** would have in the absence of the contract or agreement.

f. Breach Of Contract

Personal and advertising injury arising out of a breach of contract, except an implied contract to use another's advertising idea in your **advertisement**.

g. Quality Or Performance Of Goods – Failure To Conform To Statements

Personal and advertising injury arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your **advertisement**.

h. Wrong Description Of Prices

Personal and advertising injury arising out of the wrong description of the price of goods, products or services stated in your **advertisement**.

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i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

Personal and advertising injury arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your **advertisement**.

However, this exclusion does not apply to infringement, in your **advertisement**, of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

Personal and advertising injury committed by an **Insured** whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of **personal and advertising injury** under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

Personal and advertising injury arising out of an electronic chatroom or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

l. Unauthorized Use Of Another's Name Or Product

Personal and advertising injury arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

Personal and advertising injury arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or
- (2) Claim or suit by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

o. War

Personal and advertising injury, however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.



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p. Recording And Distribution Of Material Or Information In Violation Of Law

Personal and advertising injury arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for **bodily injury** caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the **coverage territory** and during the **policy period**;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for **bodily injury**:

a. Any Insured

To any **Insured**, except **volunteer workers**.

b. Hired Person

To a person hired to do work for or on behalf of any **Insured** or a tenant of any **Insured**.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an **employee** of any **Insured**, if benefits for the **bodily injury** are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

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e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the **products-completed operations hazard**.

g. Coverage A Exclusions

Excluded under Coverage **A**.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any **suit** against an **Insured** we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the **Insured** at our request to assist us in the investigation or defense of the claim or **suit**, including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the **Insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.
 - f. Prejudgment interest awarded against the **Insured** on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an **Insured** against a **suit** and an indemnitee of the **Insured** is also named as a party to the **suit**, we will defend that indemnitee if all of the following conditions are met:
 - a. The **suit** against the indemnitee seeks **damages** for which the **Insured** has assumed the liability of the indemnitee in a contract or agreement that is an **Insured contract**;
 - b. This insurance applies to such liability assumed by the **Insured**;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the **Insured** in the same **Insured contract**;
 - d. The allegations in the **suit** and the information we know about the **occurrence** are such that no conflict appears to exist between the interests of the **Insured** and the interests of the indemnitee;
 - e. The indemnitee and the **Insured** ask us to conduct and control the defense of that indemnitee against such **suit** and agree that we can assign the same counsel to defend the **Insured** and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the **suit**;
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **suit**;



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- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the **suit**; and
 - (b) Conduct and control the defense of the indemnitee in such **suit**.

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be **damages** for **bodily injury** and **property damage** and will not reduce the limits of insurance.

Our obligation to defend an **Insured's** indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your **spouse** are **Insureds**, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an **Insured**. Your members, your partners, and their **spouses** are also **Insureds**, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an **Insured**. Your members are also **Insureds**, but only with respect to the conduct of your business. Your managers are **Insureds**, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an **Insured**. Your **executive officers** and directors are **Insureds**, but only with respect to their duties as your officers or directors. Your stockholders are also **Insureds**, but only with respect to their liability as stockholders.
 - e. A trust, you are an **Insured**. Your trustees are also **Insureds**, but only with respect to their duties as trustees.
2. Each of the following is also an **Insured**:
 - a. Your **volunteer workers** only while performing duties related to the conduct of your business, or your **employees**, other than either your **executive officers** (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **employees** or **volunteer workers** are **Insureds** for:
 - (1) **Bodily injury** or **personal and advertising injury**:
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-**employee** while in the course of his or her employment or performing duties related to the conduct of your business, or to your other **volunteer workers** while performing duties related to the conduct of your business;
 - (b) To the **spouse**, child, parent, brother or sister of that co-**employee** or **volunteer worker** as a consequence of Paragraph **(1)(a)** above;
 - (c) For which there is any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.





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(2) **Property damage** to property:

(a) Owned, occupied or used by;

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your **employees, volunteer workers**, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).b. Any person (other than your **employee** or **volunteer worker**), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this **Coverage Part**.3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a **Named Insured** if there is no other similar insurance available to that organization. However:a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the **policy period**, whichever is earlier;b. Coverage **A** does not apply to **bodily injury** or **property damage** that occurred before you acquired or formed the organization; andc. Coverage **B** does not apply to **personal and advertising injury** arising out of an offense committed before you acquired or formed the organization.No person or organization is an **Insured** with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a **Named Insured** in the Declarations.**SECTION III – LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. **Insureds**;b. Claims made or **suits** brought; orc. Persons or organizations making claims or bringing **suits**.

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage **C**;b. **Damages** under Coverage **A**, except **damages** because of **bodily injury** or **property damage** included in the **products-completed operations hazard**; andc. **Damages** under Coverage **B**.3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for **damages** because of **bodily injury** and **property damage** included in the **products-completed operations hazard**.4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all **damages** because of all **personal and advertising injury** sustained by any one person or organization.



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5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- Damages** under Coverage A; and
 - Medical expenses under Coverage C
- because of all **bodily injury** and **property damage** arising out of any one **occurrence**.
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for **damages** because of **property damage** to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of **bodily injury** sustained by any one person.

The Limits of Insurance of this **Coverage Part** apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the **policy period** shown in the Declarations, unless the **policy period** is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve us of our obligations under this **Coverage Part**.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an **occurrence** or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the **occurrence** or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the **occurrence** or offense.

- b. If a claim is made or **suit** is brought against any **Insured**, you must:

- (1) Immediately record the specifics of the claim or **suit** and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or **suit** as soon as practicable.

- c. You and any other involved **Insured** must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or **suit**;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the **suit**; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply.

- d. No **Insured** will, except at that **Insured's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this **Coverage Part**:

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- a. To join us as a party or otherwise bring us into a **suit** asking for **damages** from an **Insured**; or
- b. To sue us on this **Coverage Part** unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an **Insured**; but we will not be liable for **damages** that are not payable under the terms of this **Coverage Part** or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the **Insured** and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the **Insured** for a loss we cover under Coverages **A** or **B** of this **Coverage Part**, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for **your work**;
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for **property damage** to premises rented to you or temporarily occupied by you with permission of the owner; or
- (iv) If the loss arises out of the maintenance or use of aircraft, **autos** or watercraft to the extent not subject to Exclusion **g.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**.

(b) Any other primary insurance available to you covering liability for **damages** arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional **Insured**.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the **Insured** against any **suit** if any other insurer has a duty to defend the **Insured** against that **suit**. If no other insurer defends, we will undertake to do so, but we will be entitled to the **Insured's** rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-**Insured** amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this **Coverage Part**.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.



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If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this **Coverage Part** in accordance with our rules and rates.
- b. Premium shown in this **Coverage Part** as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the **First Named Insured**. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the **policy period** is greater than the earned premium, we will return the excess to the **First Named Insured**.
- c. The **First Named Insured** must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this **Coverage Part** to the **First Named Insured**, this insurance applies:

- a. As if each **Named Insured** were the only **Named Insured**; and
- b. Separately to each **Insured** against whom claim is made or **suit** is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the **Insured** has rights to recover all or part of any payment we have made under this **Coverage Part**, those rights are transferred to us. The **Insured** must do nothing after loss to impair them. At our request, the **Insured** will bring **suit** or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this **Coverage Part**, we will mail or deliver to the **First Named Insured** shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **Auto** means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or



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- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, **auto** does not include **mobile equipment**.

- 3. **Bodily injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

- 4. **Coverage territory** means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
 - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
 - (3) **Personal and advertising injury** offenses that take place through the Internet or similar electronic means of communication;

provided the **Insured's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.

- 5. **Employee** includes a **leased worker**. **Employee** does not include a **temporary worker**.
- 6. **Executive officer** means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 7. **Hostile fire** means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. **Impaired property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
 - a. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work** or your fulfilling the terms of the contract or agreement.

- 9. **Insured contract** means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an **Insured contract**;
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;



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- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the **Insured**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **Insured's** rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. **Leased worker** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. **Leased worker** does not include a **temporary worker**.

11. **Loading or unloading** means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **auto**;
- b. While it is in or on an aircraft, watercraft or **auto**; or
- c. While it is being moved from an aircraft, watercraft or **auto** to the place where it is finally delivered;

but **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **auto**.

12. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:





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Commercial General Liability Coverage Part

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, **mobile equipment** does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **autos**.

13. Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. Personal and advertising injury means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your **advertisement**; or
- g. Infringing upon another's copyright, trade dress or slogan in your **advertisement**.

15. Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. Products-completed operations hazard:

- a. Includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product** or **your work** except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.



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b. Does not include **bodily injury** or **property damage** arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the **loading or unloading** of that vehicle by any **Insured**;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. **Property damage** means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. **Suit** means a civil proceeding in which **damages** because of **bodily injury**, **property damage** or **personal and advertising injury** to which this insurance applies are alleged. **suit** includes:

- a. An arbitration proceeding in which such **damages** are claimed and to which the **Insured** must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with our consent.

19. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

20. **Volunteer worker** means a person who is not your **employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. **Your product**:

- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
 - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.





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Commercial General Liability Coverage Part

22. Your work:

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and
- (2)** The providing of or failure to provide warnings or instructions.

**CNA PARAMOUNT****General Liability Extension Endorsement**

It is understood and agreed that this endorsement amends the **COMMERCIAL GENERAL LIABILITY COVERAGE PART** as follows. If any other endorsement attached to this policy amends any provision also amended by this endorsement, then that other endorsement controls with respect to such provision, and the changes made by this endorsement with respect to such provision do not apply.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 3

Effective Date: 12/23/2017

CNA000148



CNA PARAMOUNT

General Liability Extension Endorsement

1. ADDITIONAL INSURED

- a. **WHO IS AN INSURED** is amended to include as an **Insured** any person or organization described in paragraphs **A. through K.** below whom a **Named Insured** is required to add as an additional insured on this **Coverage Part** under a written contract or written agreement, provided such contract or agreement:

(1) is currently in effect or becomes effective during the term of this **Coverage Part**; and

(2) was executed prior to:

(a) the **bodily injury** or **property damage**; or

(b) the offense that caused the **personal and advertising injury**,

for which such additional insured seeks coverage.

- b. However, subject always to the terms and conditions of this policy, including the limits of insurance, the Insurer will not provide such additional insured with:

(1) a higher limit of insurance than required by such contract or agreement; or

(2) coverage broader than required by such contract or agreement, and in no event broader than that described by the applicable paragraph **A. through K.** below.

Any coverage granted by this endorsement shall apply only to the extent permissible by law.

A. Controlling Interest

Any person or organization with a controlling interest in a **Named Insured**, but only with respect to such person or organization's liability for **bodily injury**, **property damage** or **personal and advertising injury** arising out of:

1. such person or organization's financial control of a **Named Insured**; or

2. premises such person or organization owns, maintains or controls while a **Named Insured** leases or occupies such premises;

provided that the coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

B. Co-owner of Insured Premises

A co-owner of a premises co-owned by a **Named Insured** and covered under this insurance but only with respect to such co-owner's liability for **bodily injury**, **property damage** or **personal and advertising injury** as co-owner of such premises.

C. Grantor of Franchise

Any person or organization that has granted a franchise to a **Named Insured**, but only with respect to such person or organization's liability for **bodily injury**, **property damage** or **personal and advertising injury** as grantor of a franchise to the **Named Insured**.

D. Lessor of Equipment

Any person or organization from whom a **Named Insured** leases equipment, but only with respect to liability for **bodily injury**, **property damage** or **personal and advertising injury** caused, in whole or in part, by the **Named Insured's** maintenance, operation or use of such equipment, provided that the **occurrence** giving rise to such **bodily injury**, **property damage** or the offense giving rise to such **personal and advertising injury** takes place prior to the termination of such lease.



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General Liability Extension Endorsement

E. Lessor of Land

Any person or organization from whom a **Named Insured** leases land but only with respect to liability for **bodily injury, property damage or personal and advertising injury** arising out of the ownership, maintenance or use of such land, provided that the **occurrence** giving rise to such **bodily injury or property damage**, or the offense giving rise to such **personal and advertising injury**, takes place prior to the termination of such lease. The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

F. Lessor of Premises

An owner or lessor of premises leased to the **Named Insured**, or such owner or lessor's real estate manager, but only with respect to liability for **bodily injury, property damage or personal and advertising injury** arising out of the ownership, maintenance or use of such part of the premises leased to the **Named Insured**, and provided that the **occurrence** giving rise to such **bodily injury, property damage** or the offense giving rise to such **personal and advertising injury** takes place prior to the termination of such lease. The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

G. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver of premises but only with respect to such mortgagee, assignee or receiver's liability for **bodily injury, property damage or personal and advertising injury** arising out of the **Named Insured's** ownership, maintenance, or use of a premises by a **Named Insured**.

The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

H. State or Governmental Agency or Subdivision or Political Subdivisions – Permits

A state or governmental agency or subdivision or political subdivision that has issued a permit or authorization, but only with respect to such state or governmental agency or subdivision or political subdivision's liability for **bodily injury, property damage or personal and advertising injury** arising out of:

1. the following hazards in connection with premises a **Named Insured** owns, rents, or controls and to which this insurance applies:
 - a. the existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - b. the construction, erection, or removal of elevators; or
 - c. the ownership, maintenance or use of any elevators covered by this insurance; or
2. the permitted or authorized operations performed by a **Named Insured** or on a **Named Insured's** behalf.

The coverage granted by this paragraph does not apply to:

- a. **Bodily injury, property damage or personal and advertising injury** arising out of operations performed for the state or governmental agency or subdivision or political subdivision; or
- b. **Bodily injury or property damage** included within the **products-completed operations hazard**.

With respect to this provision's requirement that additional insured status must be requested under a written contract or agreement, the Insurer will treat as a written contract any governmental permit that requires the **Named Insured** to add the governmental entity as an additional insured.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 3

Effective Date: 12/23/2017

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CNA PARAMOUNT

General Liability Extension Endorsement

I. Trade Show Event Lessor

1. With respect to a **Named Insured's** participation in a trade show event as an exhibitor, presenter or displayer, any person or organization whom the **Named Insured** is required to include as an additional insured, but only with respect to such person or organization's liability for **bodily injury, property damage or personal and advertising injury** caused by:
 - a. the **Named Insured's** acts or omissions; or
 - b. the acts or omissions of those acting on the **Named Insured's** behalf,
 in the performance of the **Named Insured's** ongoing operations at the trade show event premises during the trade show event.
2. The coverage granted by this paragraph does not apply to **bodily injury or property damage included within the products-completed operations hazard**.

J. Vendor

Any person or organization but only with respect to such person or organization's liability for **bodily injury or property damage** arising out of **your products** which are distributed or sold in the regular course of such person or organization's business, provided that:

1. The coverage granted by this paragraph does not apply to:
 - a. **bodily injury or property damage** for which such person or organization is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement unless such liability exists in the absence of the contract or agreement;
 - b. any express warranty unauthorized by the **Named Insured**;
 - c. any physical or chemical change in any product made intentionally by such person or organization;
 - d. repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e. any failure to make any inspections, adjustments, tests or servicing that such person or organization has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. demonstration, installation, servicing or repair operations, except such operations performed at the such person or organization's premises in connection with the sale of a product;
 - g. products which, after distribution or sale by the **Named Insured**, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for such person or organization; or
 - h. **bodily injury or property damage** arising out of the sole negligence of such person or organization for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) the exceptions contained in Subparagraphs **d.** or **f.** above; or
 - (2) such inspections, adjustments, tests or servicing as such person or organization has agreed with the **Named Insured** to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This Paragraph **J.** does not apply to any insured person or organization, from whom the **Named Insured** has acquired such products, nor to any ingredient, part or container, entering into, accompanying or containing such products.



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General Liability Extension Endorsement

3. This Paragraph J. also does not apply:

- a. to any vendor specifically scheduled as an additional insured by endorsement to this **Coverage Part**;
- b. to any of **your products** for which coverage is excluded by endorsement to this **Coverage Part**; nor
- c. if **bodily injury** or **property damage** included within the **products-completed operations hazard** is excluded by endorsement to this **Coverage Part**.

K. Other Person Or Organization

Any person or organization who is not an additional insured under Paragraphs A. through J. above. Such additional insured is an **Insured** solely for **bodily injury**, **property damage** or **personal and advertising injury** for which such additional insured is liable because of the **Named Insured's** acts or omissions.

The coverage granted by this paragraph does not apply to any person or organization:

- 1. for **bodily injury**, **property damage**, or **personal and advertising injury** arising out of the rendering or failure to render any professional service;
- 2. for **bodily injury** or **property damage** included within the **products-completed operations hazard**; nor
- 3. who is specifically scheduled as an additional insured on another endorsement to this **Coverage Part**.

2. ADDITIONAL INSURED - PRIMARY AND NON-CONTRIBUTORY TO ADDITIONAL INSURED'S INSURANCE

A. The **Other Insurance** Condition in the **COMMERCIAL GENERAL LIABILITY CONDITIONS** Section is amended to add the following paragraph:

If the **Named Insured** has agreed in writing in a contract or agreement that this insurance is primary and non-contributory relative to an additional insured's own insurance, then this insurance is primary, and the Insurer will not seek contribution from that other insurance. For the purpose of this Provision 2., the additional insured's own insurance means insurance on which the additional insured is a named insured.

B. With respect to persons or organizations that qualify as additional insureds pursuant to paragraph 1.K. of this endorsement, the following sentence is added to the paragraph above:

Otherwise, and notwithstanding anything to the contrary elsewhere in this Condition, the insurance provided to such person or organization is excess of any other insurance available to such person or organization.

3. BODILY INJURY – EXPANDED DEFINITION

Under **DEFINITIONS** the definition of **bodily injury** is deleted and replaced by the following:

Bodily injury means physical injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the physical injury, sickness or disease.

4. BROAD KNOWLEDGE OF OCCURRENCE/ NOTICE OF OCCURRENCE

Under **CONDITIONS**, the condition entitled **Duties in The Event of Occurrence, Offense, Claim or Suit** is amended to add the following:

A. BROAD KNOWLEDGE OF OCCURRENCE

The **Named Insured** must give the Insurer or the Insurer's authorized representative notice of an **occurrence**, offense or **claim** only when the **occurrence**, offense or **claim** is known to a natural person **Named Insured**, to a partner, executive officer, manager or member of a **Named Insured**, or to an **employee** designated by any of the above to give such notice.

B. NOTICE OF OCCURRENCE

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 3

Effective Date: 12/23/2017

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CNA PARAMOUNT

General Liability Extension Endorsement

The **Named Insured's** rights under this **Coverage Part** will not be prejudiced if the **Named Insured** fails to give the Insurer notice of an **occurrence**, offense or **claim** and that failure is solely due to the **Named Insured's** reasonable belief that the **bodily injury** or **property damage** is not covered under this **Coverage Part**. However, the **Named Insured** shall give written notice of such **occurrence**, offense or **claim** to the Insurer as soon as the **Named Insured** is aware that this insurance may apply to such **occurrence**, offense or **claim**.

5. BROAD NAMED INSURED

WHO IS AN INSURED is amended to delete its Paragraph 3. in its entirety and replace it with the following:

3. Pursuant to the limitations described in Paragraph 4. below, any organization in which a **Named Insured** has management control:

- a. on the effective date of this **Coverage Part**; or
- b. by reason of a **Named Insured** creating or acquiring the organization during the **policy period**,

qualifies as a **Named Insured**, provided that there is no other similar liability insurance, whether primary, contributory, excess, contingent or otherwise, which provides coverage to such organization, or which would have provided coverage but for the exhaustion of its limit, and without regard to whether its coverage is broader or narrower than that provided by this insurance.

But this **BROAD NAMED INSURED** provision does not apply to:

- (a) any partnership, limited liability company or joint venture; or
- (b) any organization for which coverage is excluded by another endorsement attached to this **Coverage Part**.

For the purpose of this provision, management control means:

- A. owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation; or
 - B. having the right, pursuant to a written trust agreement, to protect, control the use of, encumber or transfer or sell property held by a trust.
4. With respect to organizations which qualify as **Named Insureds** by virtue of Paragraph 3. above, this insurance does not apply to:
- a. **bodily injury** or **property damage** that first occurred prior to the date of management control, or that first occurs after management control ceases; nor
 - b. **personal or advertising injury** caused by an offense that first occurred prior to the date of management control or that first occurs after management control ceases.
5. The insurance provided by this **Coverage Part** applies to **Named Insureds** when trading under their own names or under such other trading names or doing-business-as names (dba) as any **Named Insured** should choose to employ.

6. ESTATES, LEGAL REPRESENTATIVES, AND SPOUSES

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such **spouse**. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or **spouse** outside the scope of such person's capacity or status as such, provided however that the **spouse** of a natural person **Named Insured** and the **spouses** of members or partners of joint venture or partnership **Named Insureds** are **Insureds** with respect to such **spouses'** acts, errors or omissions in the conduct of the **Named Insured's** business.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 3

Effective Date: 12/23/2017



CNA PARAMOUNT

General Liability Extension Endorsement

7. EXPECTED OR INTENDED INJURY – EXCEPTION FOR REASONABLE FORCE

Under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete the exclusion entitled **Expected or Intended Injury** and replace it with the following:

This insurance does not apply to:

Expected or Intended Injury

Bodily injury or **property damage** expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. IN REM ACTIONS

A quasi in rem action against any vessel owned or operated by or for the **Named Insured**, or chartered by or for the **Named Insured**, will be treated in the same manner as though the action were in personam against the **Named Insured**.

9. INCIDENTAL HEALTH CARE MALPRACTICE COVERAGE

Solely with respect to **bodily injury** that arises out of a **health care incident**:

A. Under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the **Insuring Agreement** is amended to replace Paragraphs **1.b.(1)** and **1.b.(2)** with the following:

b. This insurance applies to **bodily injury** provided that the professional health care services are incidental to the **Named Insured's** primary business purpose, and only if:

(1) such **bodily injury** is caused by an **occurrence** that takes place in the **coverage territory**.

(2) the **bodily injury** first occurs during the **policy period**. All **bodily injury** arising from an **occurrence** will be deemed to have occurred at the time of the first act, error, or omission that is part of the **occurrence**; and

B. Under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions** is amended to:

i. add the following to the **Employers Liability** exclusion:

This exclusion applies only if the **bodily injury** arising from a **health care incident** is covered by other liability insurance available to the **Insured** (or which would have been available but for exhaustion of its limits).

ii. delete the exclusion entitled **Contractual Liability** and replace it with the following:

This insurance does not apply to:

Contractual Liability

the **Insured's** actual or alleged liability under any oral or written contract or agreement, including but not limited to express warranties or guarantees.

iii. add the following additional exclusions.

This insurance does not apply to:

Discrimination

any actual or alleged discrimination, humiliation or harassment, including but not limited to **claims** based on an individual's race, creed, color, age, gender, national origin, religion, disability, marital status or sexual orientation.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 3

Effective Date: 12/23/2017

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General Liability Extension Endorsement

Dishonesty or Crime

Any actual or alleged dishonest, criminal or malicious act, error or omission.

Medicare/Medicaid Fraud

any actual or alleged violation of law with respect to Medicare, Medicaid, Tricare or any similar federal, state or local governmental program.

Services Excluded by Endorsement

Any **health care incident** for which coverage is excluded by endorsement.

C. DEFINITIONS is amended to:

i. add the following definitions:

Health care incident means an act, error or omission by the **Named Insured's employees or volunteer workers** in the rendering of:

- a. **professional health care services** on behalf of the **Named Insured** or
- b. Good Samaritan services rendered in an emergency and for which no payment is demanded or received.

Professional health care services means any health care services or the related furnishing of food, beverages, medical supplies or appliances by the following providers in their capacity as such but solely to the extent they are duly licensed as required:

- a. Physician;
- b. Nurse;
- c. Nurse practitioner;
- d. Emergency medical technician;
- e. Paramedic;
- f. Dentist;
- g. Physical therapist;
- h. Psychologist;
- i. Speech therapist;
- j. Other allied health professional; or

Professional health care services does not include any services rendered in connection with human clinical trials or product testing.

ii. delete the definition of **occurrence** and replace it with the following:

Occurrence means a **health care incident**. All acts, errors or omissions that are logically connected by any common fact, circumstance, situation, transaction, event, advice or decision will be considered to constitute a single **occurrence**;

iii. amend the definition of **Insured** to:

- a. add the following:
 - the **Named Insured's employees** are **Insureds** with respect to:



CNA PARAMOUNT

General Liability Extension Endorsement

(1) **bodily injury** to a co-**employee** while in the course of the co-**employee's** employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business; and

(2) **bodily injury** to a **volunteer worker** while performing duties related to the conduct of the **Named Insured's** business;

when such **bodily injury** arises out of a **health care incident**.

- the **Named Insured's** **volunteer workers** are **Insureds** with respect to:

(1) **bodily injury** to a co-**volunteer worker** while performing duties related to the conduct of the **Named Insured's** business; and

(2) **bodily injury** to an **employee** while in the course of the **employee's** employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business;

when such **bodily injury** arises out of a **health care incident**.

b. delete Subparagraphs (a), (b), (c) and (d) of Paragraph 2.a.(1) of **WHO IS AN INSURED**.

c. add the following:

Insured does not include any physician while acting in his or her capacity as such.

D. The **Other Insurance** condition is amended to delete Paragraph b.(1) in its entirety and replace it with the following:

Other Insurance

b. Excess Insurance

(1) To the extent this insurance applies, it is excess over any other insurance, self insurance or risk transfer instrument, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by the **Named Insured** to be excess of this coverage.

10. JOINT VENTURES / PARTNERSHIP / LIMITED LIABILITY COMPANIES

WHO IS AN INSURED is amended to delete its last paragraph and replace it with the following:

No person or organization is an **Insured** with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a **Named Insured** in the Declarations, except that if the **Named Insured** was a joint venturer, partner, or member of a limited liability company and such joint venture, partnership or limited liability company terminated prior to or during the **policy period**, such **Named Insured** is an **Insured** with respect to its interest in such joint venture, partnership or limited liability company but only to the extent that:

- any offense giving rise to **personal and advertising injury** occurred prior to such termination date, and the **personal and advertising injury** arising out of such offense first occurred after such termination date;
- the **bodily injury** or **property damage** first occurred after such termination date; and
- there is no other valid and collectible insurance purchased specifically to insure the partnership, joint venture or limited liability company.

11. LEGAL LIABILITY – DAMAGE TO PREMISES

A. Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete the first paragraph immediately following subparagraph (6) of the **Damage to Property** exclusion and replace it with the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to **property damage** (other than damage by fire) to premises rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 3

Effective Date: 12/23/2017

CNA000156

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CNA PARAMOUNT

General Liability Extension Endorsement

owner, nor to the contents of premises rented to the **Named Insured** for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **LIMITS OF INSURANCE**.

- B. Under COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete its last paragraph and replace it with the following:

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to a **Named Insured** or temporarily occupied by a **Named Insured** with permission of the owner, nor to damage to the contents of premises rented to a **Named Insured** for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in the **LIMITS OF INSURANCE** Section.

- C. LIMITS OF INSURANCE** is amended to delete Paragraph **6.** (the Damage To Premises Rented To You Limit) and replace it with the following:

- 6.** Subject to Paragraph **5.** above, (the Each Occurrence Limit), the Damage To Premises Rented To You Limit is the most the Insurer will pay under **COVERAGE A** for **damages** because of **property damage** to:

- a.** any one premises while rented to a **Named Insured** or temporarily occupied by a **Named Insured** with the permission of the owner; and
- b.** contents of such premises if the premises is rented to the **Named Insured** for a period of 7 or fewer consecutive days.

The Damage To Premises Rented To You Limit is \$200,000. unless a higher Damage to Premises Rented to You Limit is shown in the Declarations.

- D. The Other Insurance** Condition is amended to delete Paragraph **b.(1)(a)(ii)**, and replace it with the following:

- (ii)** That is property insurance for premises rented to a **Named Insured**, for premises temporarily occupied by the **Named Insured** with the permission of the owner; or for personal property of others in the **Named Insured's** care, custody or control;

- E. This Provision 11.** does not apply if liability for damage to premises rented to a **Named Insured** is excluded by another endorsement attached to this **Coverage Part**.

12. MEDICAL PAYMENTS

- A. LIMITS OF INSURANCE** is amended to delete Paragraph **7.** (the Medical Expense Limit) and replace it with the following:

- 7.** Subject to Paragraph **5.** above (the Each Occurrence Limit), the Medical Expense Limit is the most the Insurer will pay under **Coverage C - Medical Payments** for all medical expenses because of **bodily injury** sustained by any one person. The Medical Expense Limit is the greater of:

- (1)** \$15,000 unless a different amount is shown here: _____ ; or
- (2)** the amount shown in the Declarations for Medical Expense Limit.

- B. Under COVERAGES, Coverage C – Medical Payments**, the **Insuring Agreement** is amended to replace Paragraph **1.a.(3)(b)** with the following:

- (b)** The expenses are incurred and reported to the Insurer within three years of the date of the accident; and

13. NON-OWNED AIRCRAFT

Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended as follows:

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 3

Effective Date: 12/23/2017

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CNA PARAMOUNT

General Liability Extension Endorsement

The exclusion entitled **Aircraft, Auto or Watercraft** is amended to add the following:

This exclusion does not apply to an aircraft not owned by any **Named Insured**, provided that:

1. the pilot in command holds a currently effective certificate issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;
2. the aircraft is rented with a trained, paid crew to the **Named Insured**; and
3. the aircraft is not being used to carry persons or property for a charge.

14. NON-OWNED WATERCRAFT

Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete subparagraph (2) of the exclusion entitled **Aircraft, Auto or Watercraft**, and replace it with the following.

This exclusion does not apply to:

- (2) a watercraft that is not owned by any **Named Insured**, provided the watercraft is:
 - (a) less than 75 feet long; and
 - (b) not being used to carry persons or property for a charge.

15. PERSONAL AND ADVERTISING INJURY –DISCRIMINATION OR HUMILIATION

A. Under **DEFINITIONS**, the definition of **personal and advertising injury** is amended to add the following tort:

- Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.

B. Under **COVERAGES, Coverage B – Personal and Advertising Injury Liability**, the paragraph entitled **Exclusions** is amended to:

1. delete the Exclusion entitled **Knowing Violation Of Rights Of Another** and replace it with the following:

This insurance does not apply to:

Knowing Violation of Rights of Another

Personal and advertising injury caused by or at the direction of the **Insured** with the knowledge that the act would violate the rights of another and would inflict **personal and advertising injury**. This exclusion shall not apply to discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is not done intentionally by or at the direction of:

- (a) the **Named Insured**; or
- (b) any **executive officer**, director, stockholder, partner, member or manager (if the **Named Insured** is a limited liability company) of the **Named Insured**.

2. add the following exclusions:

This insurance does not apply to:

Employment Related Discrimination

discrimination or humiliation directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person by any **Insured**.

Premises Related Discrimination

discrimination or humiliation arising out of the sale, rental, lease or sub-lease or prospective sale, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any **Insured**.





CNA PARAMOUNT

General Liability Extension Endorsement

Notwithstanding the above, there is no coverage for fines or penalties levied or imposed by a governmental entity because of discrimination.

The coverage provided by this **PERSONAL AND ADVERTISING INJURY –DISCRIMINATION OR HUMILIATION** Provision does not apply to any person or organization whose status as an **Insured** derives solely from

- Provision 1. **ADDITIONAL INSUREDS** of this endorsement; or
- attachment of an additional insured endorsement to this **Coverage Part**.

16. PERSONAL AND ADVERTISING INJURY - CONTRACTUAL LIABILITY

- A. Under **COVERAGES, Coverage B –Personal and Advertising Injury Liability**, the paragraph entitled **Exclusions** is amended to delete the exclusion entitled **Contractual Liability** and replace it with the following:

This insurance does not apply to:

Contractual Liability

Personal and advertising injury for which the **Insured** has assumed liability in a contract or agreement.

This exclusion does not apply to liability for **damages**:

- (1) that the **Insured** would have in the absence of the contract or agreement; or
- (2) assumed in a contract or agreement that is an **insured contract** provided the offense that caused such **personal or advertising injury** first occurred subsequent to the execution of such **insured contract**. Solely for the purpose of liability assumed in an **insured contract**, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an **Insured** are deemed to be **damages** because of **personal and advertising injury** provided:
 - (a) liability to such party for, or for the cost of, that party's defense has also been assumed in such **insured contract**; and
 - (b) such attorney fees and litigation expenses are for defense of such party against a civil or alternative dispute resolution proceeding in which covered **damages** are alleged.

- B. Solely for the purpose of the coverage provided by this paragraph, **DEFINITIONS** is amended to delete the definition of **insured contract** in its entirety, and replace it with the following:

Insured contract means that part of a written contract or written agreement pertaining to the **Named Insured's** business under which the **Named Insured** assumes the tort liability of another party to pay for **personal or advertising injury** arising out of the offense of false arrest, detention or imprisonment. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

- C. Solely for the purpose of the coverage provided by this paragraph, the following changes are made to the Section entitled **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**:

1. Paragraph 2.d. is replaced by the following:
 - d. The allegations in the **suit** and the information the Insurer knows about the offense alleged in such **suit** are such that no conflict appears to exist between the interests of the **Insured** and the interests of the indemnitee;
2. The first unnumbered paragraph beneath Paragraph 2.f.(2)(b) is deleted and replaced by the following:

So long as the above conditions are met, attorneys fees incurred by the Insurer in the defense of that indemnitee, necessary litigation expenses incurred by the Insurer, and necessary litigation expenses incurred by the indemnitee at the Insurer's request will be paid as **defense costs**. Notwithstanding the provisions of Paragraph e.(2) of the Contractual Liability exclusion (as amended by this Endorsement), such payments will



CNA PARAMOUNT

General Liability Extension Endorsement

not be deemed to be **damages** for **personal and advertising injury** and will not reduce the limits of insurance.

- D. This **PERSONAL AND ADVERTISING INJURY - LIMITED CONTRACTUAL LIABILITY** Provision does not apply if **Coverage B –Personal and Advertising Injury Liability** is excluded by another endorsement attached to this **Coverage Part**.

17. PROPERTY DAMAGE – ELEVATORS

- A. Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended such that the **Damage to Your Product** Exclusion and subparagraphs **(3)**, **(4)** and **(6)** of the **Damage to Property** Exclusion do not apply to **property damage** that results from the use of elevators.
- B. Solely for the purpose of the coverage provided by this **PROPERTY DAMAGE – ELEVATORS** Provision, the **Other Insurance** conditions is amended to add the following paragraph:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is Property insurance covering property of others damaged from the use of elevators.

18. SUPPLEMENTARY PAYMENTS

The section entitled **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** is amended as follows:

- A. Paragraph **1.b.** is amended to delete the \$250 limit shown for the cost of bail bonds and replace it with a \$5,000. limit; and
- B. Paragraph **1.d.** is amended to delete the limit of \$250 shown for daily loss of earnings and replace it with a \$1,000. limit.

19. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If the **Named Insured** unintentionally fails to disclose all existing hazards at the inception date of the **Named Insured's Coverage Part**, the Insurer will not deny coverage under this **Coverage Part** because of such failure.

20. WAIVER OF SUBROGATION - BLANKET

Under **CONDITIONS**, the **Transfer Of Rights Of Recovery Against Others To Us** Condition is amended to add the following:

The Insurer waives any right of recovery the Insurer may have against any person or organization because of payments the Insurer makes for injury or damage arising out of:

1. the **Named Insured's** ongoing operations; or
2. **your work** included in the **products-completed operations hazard**.

However, this waiver applies only when the **Named Insured** has agreed in writing to waive such rights of recovery in a written contract or written agreement, and only if such contract or agreement:

1. is in effect or becomes effective during the term of this **Coverage Part**; and
2. was executed prior to the **bodily injury, property damage or personal and advertising injury** giving rise to the claim.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 3

Effective Date: 12/23/2017





CNA PARAMOUNT

Coverage for Liability for Hazards of Lead without Sublimit Endorsement - New Jersey

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions**, is amended to add the following to the exclusion entitled **Pollution**:

For premises constructed on or after 1978, or premises constructed prior to 1978 which have been certified, prior to the **policy period**, as being free of existing lead hazards pursuant to standards established by the Department of Community Affairs, this exclusion does not apply to **bodily injury** arising out of lead contamination, or out of the inhalation, ingestion, use, handling or contact with lead paint at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**.

This provision will also apply to any premises constructed prior to 1978 which receives such certification during the **policy period**, but only for **bodily injury** which occurs after such certification.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 4

Effective Date: 12/23/2017

CNA000161



CNA PARAMOUNT

**Blanket Additional Insured - Owners, Lessees or
Contractors - with Products-Completed Operations
Coverage - Limited Liability Endorsement**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed as follows:

- I. The **WHO IS AN INSURED** section is amended to add as an **Insured** any person or organization whom the **Named Insured** is required by **written contract** to add as an additional insured on this **Coverage Part**; including any such person or organization, if any, specifically set forth on the Schedule attachment to this endorsement. However, such person or organization is an **Insured** only with respect to such person or organization's liability for:
 - A. **bodily injury, property damage, or personal and advertising injury** to the extent caused by:
 1. the **Named Insured's** acts or omissions; or
 2. the acts or omissions of those acting on the **Named Insured's** behalf,
 in the performance of the **Named Insured's** ongoing operations specified in the **written contract**; or
 - B. **bodily injury or property damage** to the extent caused by **your work** specified in the **written contract** and included in the **products-completed operations hazard**, and only if
 1. the **written contract** requires the **Named Insured** to provide the additional insured such coverage; and
 2. this coverage **part** provides such coverage.
- II. Subject always to the terms and conditions of this policy, including the limits of insurance, the Insurer will not provide such additional insured with:
 - A. coverage broader than required by the **written contract**; or
 - B. a higher limit of insurance than required by the **written contract**.
- III. The insurance granted by this endorsement to the additional insured does not apply to **bodily injury, property damage, or personal and advertising injury** arising out of:
 - A. acts or omissions of the additional insured, or of anyone acting on the additional insured's behalf; or
 - B. the rendering of, or the failure to render, any professional architectural, engineering, or surveying services, including:
 1. the preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 2. supervisory, inspection, architectural or engineering activities; or
 - C. any premises or work for which the additional insured is specifically listed as an additional insured on another endorsement attached to this **coverage part**.
- IV. Notwithstanding anything to the contrary in the section entitled **COMMERCIAL GENERAL LIABILITY CONDITIONS**, the Condition entitled **Other Insurance**, this insurance is excess of all other insurance available to the additional insured whether on a primary, excess, contingent or any other basis. However, if this insurance is required by **written contract** to be primary and non-contributory, this insurance will be primary and non-contributory relative solely to insurance on which the additional insured is a named insured.
- V. Solely with respect to the insurance granted by this endorsement, the section entitled **COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

CNA75081XX (1-15)

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 5

Effective Date: 12/23/2017

CNA000162

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CNA PARAMOUNT

**Blanket Additional Insured - Owners, Lessees or
Contractors - with Products-Completed Operations
Coverage - Limited Liability Endorsement**

The Condition entitled **Duties In The Event of Occurrence, Offense, Claim or Suit** is amended with the addition of the following:

Any additional insured pursuant to this endorsement will as soon as practicable:

1. give the Insurer written notice of any **claim**, or any **occurrence** or offense which may result in a **claim**;
2. except as provided in Paragraph IV. of this endorsement, agree to make available any other insurance the additional insured has for any loss covered under this **coverage part**;
3. send the Insurer copies of all legal papers received, and otherwise cooperate with the Insurer in the investigation, defense, or settlement of the **claim**; and
4. tender the defense and indemnity of any **claim** to any other insurer or self insurer whose policy or program applies to a loss that the Insurer covers under this **coverage part**. However, if the **written contract** requires this insurance to be primary and non-contributory, this paragraph 4 does not apply to insurance on which the additional insured is a named insured.

The Insurer has no duty to defend or indemnify an additional insured under this endorsement until the Insurer receives written notice of a **claim** from the additional insured.

- VI. Solely with respect to the insurance granted by this endorsement, the section entitled **DEFINITIONS** is amended to add the following definition:

Written contract means a written contract or written agreement that requires the **Named Insured** to make a person or organization an additional insured on this **coverage part**, provided the contract or agreement:

- A. is currently in effect or becomes effective during the term of this policy; and
- B. was executed prior to:
 1. The **bodily injury** or **property damage**; or
 2. The offense that caused the **personal and advertising injury**
 for which the additional insured seeks coverage.

Any coverage granted by this endorsement shall apply solely to the extent permissible by law.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CNA PARAMOUNT

Pollution Exclusion Amendatory Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that under **COVERAGES, Coverage A, Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete paragraph **(2)** of exclusion **f. Pollution**, in its entirety, and replace it with the following:

This insurance does not apply to:

(2) Any loss, cost or expense arising out of any:

- (a)** request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of, **pollutants**; or
- (b) Claim** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of, **pollutants**.

However, if liability for **damages** because of **property damage** is not excluded by paragraph **(1)** of this exclusion, then neither will paragraph **(2)(a)** above serve to exclude such **damages**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 6

Effective Date: 12/23/2017

CNA000164



CNA PARAMOUNT

Fungi / Mold / Mildew / Yeast / Microbe Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

It is understood and agreed that the policy is amended as follows:

- I. Under COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions**, is amended to add the following exclusion:

This insurance does not apply to:

- A. bodily injury** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi** or **microbes** on or within a building or structure, or on or within any contents of a building or structure. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury;
- B. property damage** arising out of or relating to the actual, alleged or threatened contact with, exposure to, existence of, or growth or presence of any **fungi** or **microbes** on or within a building or structure, or on or within any contents of a building or structure; or
- C.** any loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or in any way responding to or assessing the effects of, **fungi** or **microbes**, by any **Insured** or by anyone else. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such loss, cost or expense.

However, this exclusion does not apply to:

- i.** any **fungi** or **microbes** that are, are on, or are contained in, a good or product intended for bodily consumption; or
- ii.** **microbes** that were transmitted directly from person to person.

- II. Under COVERAGES, Coverage B – Personal And Advertising Injury Liability**, the paragraph entitled **Exclusions**, is amended to add the following exclusion:

This insurance does not apply to:

- A. personal and advertising injury** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi** or **microbes** on or within a building or structure, or on or within any contents of a building or structure;
- B.** any loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or in any way responding to or assessing the effects of, **fungi** or **microbes**, by any **Insured** or by anyone else.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense.

However, this exclusion does not apply to:

- i.** any **fungi** or **microbes** that are, are on, or are contained in, a good or product intended for bodily consumption; or
- ii.** **microbes** that were transmitted directly from person to person.

- III. As used herein:**

- A. fungi** means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by or arising out of the current or past presence of **fungi**.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 7

Effective Date: 12/23/2017

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CNA PARAMOUNT

Fungi / Mold / Mildew / Yeast / Microbe Exclusion Endorsement

B. microbe means any non-fungal microorganism, or non-fungal, colony-form organism, that causes infection or disease. **Microbe** includes any spores, mycotoxins, odors or any other substances, products or byproducts produced by, released by or arising out of the current or past presence of microbes.

IV. The following Condition is added:

Arbitration

For **property damage**, the determination of what portion of a loss is attributable to **fungi** and **microbes**, and what portion is not, shall be made by the Insurer. If the **Named Insured** disagrees with that determination, the **Named Insured** and by the Insurer agree to submit to binding arbitration according to the Commercial Arbitration Rules of the American Arbitration Association, or according to such other rules as the **Named Insured** and the Insurer agree to. If binding arbitration of insurance disputes is not allowed in the state where the **Named Insured** is incorporated (or, if the **Named Insured** is not a corporation, the state where the **Named Insured** is domiciled), then arbitration shall be non-binding, and shall only proceed if both the **Named Insured** and the Insurer agree to enter into it. The arbitration will be held in the county where the **Named Insured** is headquartered, or at such other location as may be jointly agreed to by the **Named Insured** and the Insurer. Each party will bear its own arbitration costs.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CNA PARAMOUNT

Employment-Related Practices Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability** and **Coverage B – Personal And Advertising Injury Liability**, the paragraphs entitled **Exclusions**, are amended to add the following exclusion:

This insurance does not apply to:

Bodily injury or personal and advertising injury to:

- (1) a person arising out of any:
 - (a) refusal to employ that person;
 - (b) termination of that person's employment; or
 - (c) employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) the **spouse**, child, parent, brother or sister of that person as a consequence of **bodily injury** to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) whether the **Insured** may be liable as an employer or in any other capacity; and
- (3) to any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury.

However, solely with respect to **Coverage A**, this exclusion does not apply to physical injury a person sustains during a job interview while attempting to demonstrate a physical capability or skill required by the job.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA74761XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 8

Effective Date: 12/23/2017

CNA000167

**CNA PARAMOUNT**

Testing or Consulting Errors and Omissions Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability** and **Coverage B – Personal And Advertising Injury Liability**, the paragraphs entitled **Exclusions**, are amended to add the following exclusion:

Testing or Consulting Errors and Omissions

bodily injury, property damage or personal and advertising injury arising out of:

1. an error, omission, defect or deficiency in:
 - a. any test performed; or
 - b. an evaluation, a consultation or advice given, by or on behalf of any **Insured**;
2. the reporting of or reliance upon any such test, evaluation, consultation or advice; or
3. an error, omission, defect or deficiency in experimental data or the **Insured's** interpretation of that data.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

30020000760568728075413



CNA74775XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 9

Effective Date: 12/23/2017

CNA000168



CNA PARAMOUNT

Contractors - Professional Liability Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability** and **Coverage B – Personal And Advertising Injury Liability**, the paragraphs entitled **Exclusions**, are amended to add the following exclusion:

This insurance does not apply to **bodily injury, property damage** or **personal and advertising injury** arising out of the rendering of or failure to render **professional services** by the **Named Insured** or on the **Named Insured's** behalf.

As used herein, **professional services** means:

- A. engineering, architectural or surveying services to others in the **Named Insured's** capacity as an engineer, architect or surveyor; or
- B. providing, or hiring independent professionals to provide, engineering, architectural or surveying services in connection with construction work the **Named Insured** performs.

Such **professional services** include:

- 1. preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
- 2. supervisory or inspection activities performed as part of any related architectural or engineering activities.

However, **professional services** do not include services within construction means, methods, techniques, sequences and procedures employed by the **Named Insured** in connection with the **Named Insured's** operations in the **Named Insured's** capacity as a construction contractor.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

30020000760568728075414

CNA74801XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 10

Effective Date: 12/23/2017

CNA000169



CNA PARAMOUNT

Residential Construction Defect Products/Completed Operations Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed as follows:

- I. Under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions**, is amended to add the following exclusion:

This insurance does not apply to **property damage** that:

- A. is included within the **products/completed operations hazard**;
- B. arises out of **defective construction** of all or any part of a **residential structure**; and
- C. is reported to the Insurer more than 12 months after **your work** is deemed completed on the project from which the **property damage** allegedly arises.

- II. As used herein:

- A. **your work** will be deemed completed at the earliest of the following times:

- 1. when all of the work called for in the **Named Insured's** contract has been completed;
- 2. when all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or
- 3. when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- B. **construction** means any and all aspects of the erection or demolition of structures, including but not limited to design, specifications, planning, building, materials, supervision or observation of construction. **Construction** also includes new construction, conversion, reconstruction, rehabilitation, renovation, remodeling, repair or maintenance.

- C. **defective construction** means any actual or alleged deficiency in **construction**.

- D. **residential structure** means any structure where 30% or more of the square foot area is used or is intended to be used for human residency, including but not limited to:

- 1. single or multifamily housing, apartments, condominiums, townhouses, co-operatives or planned unit developments; and
- 2. the common areas and structures appurtenant to the structures in paragraph 1. (including pools, hot tubs, detached garages, guest houses or any similar structures).

However, when there is no individual ownership of units, **residential structure** does not include military housing, college/university housing or dormitories, long term care facilities, hotels or motels. **Residential structure** also does not include hospitals or prisons.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA74862XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 11

Effective Date: 12/23/2017

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CNA000170

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CNA PARAMOUNT

Construction Wrap-Up Program Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability** and **Coverage B – Personal And Advertising Injury Liability**, the paragraphs entitled **Exclusions**, are amended to add the following exclusion:

This insurance does not apply to **bodily injury, property damage** or **personal and advertising injury** arising out of any current or completed operation performed by the **Named Insured** or on the **Named Insured's** behalf which is or was insured under a **consolidated (wrap-up) insurance program**.

This exclusion applies whether or not the **consolidated (wrap-up) insurance program**:

- A. provides coverage identical to that provided by this **Coverage Part**;
- B. has limits adequate to cover all **claims**; or
- C. remains in effect.

Consolidated (wrap-up) insurance program means a construction, erection or demolition project for which the prime contractor/project manager or owner of the project has secured general liability insurance covering some or all of the contractors or subcontractors involved in the project. **Consolidated (wrap-up) insurance program** includes an Owner Controlled Insurance Program (O.C.I.P.) or a Contractor Controlled Insurance Program (C.C.I.P.).

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

30020000760568728075416



CNA74863XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 12

Effective Date: 12/23/2017

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CNA000171



CNA PARAMOUNT

Exterior Finish System Products/Completed Operations Property Damage Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that:

- I. Under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions**, is amended to add the following exclusion:

This insurance does not apply to:

Property damage included in the **products-completed hazard** arising out of, caused by, or attributable to, whether in whole or in part, an **exterior finish system** or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such system.

- II. The section entitled **DEFINITIONS** is amended to add the following new definition:

Exterior finish system means a synthetic exterior wall cladding system that is intended to be water tight at the outside surface and designed to consist of:

- a. A **backer board** that is attached to any building surface or substrate;
- b. An integrally reinforced base coat on the face of the **backer board**;
- c. A protective finish applied to the surface of the base coat; and
- d. Applicable accessories, flashings, coatings, caulking and sealants

that interact to form an energy efficient wall.

As used herein, **backer board** includes but is not limited to insulation board, foam board, cement board, cementitious backer board, plywood, oriented strand board, any gypsum based board, metal sheet, concrete block or concrete.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

30020000760568728075417

**CNA PARAMOUNT**

Engineers, Architects or Surveyors Professional Liability Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability** and **Coverage B – Personal And Advertising Injury Liability**, the paragraphs entitled **Exclusions**, are amended to add the following exclusion:

This insurance does not apply to **bodily injury, property damage or personal and advertising injury** arising out of the rendering of or failure to render any professional services by the **Named Insured** or any engineer, architect or surveyor who is either employed by the **Named Insured** or performing work on the **Named Insured's** behalf in such capacity.

Professional services include:

- A.** the preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- B.** supervisory, inspection, architectural or engineering activities.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

30020000760568728075418



CNA74980XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 14

Effective Date: 12/23/2017

CNA000173



CNA PARAMOUNT

**Exclusion - Access or Disclosure of Confidential
or Personal Information and Data-Related Liability -
with Limited Bodily Injury Exception Endorsement**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed as follows:

- I. Under COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions**, the exclusion entitled **Electronic Data** is deleted in its entirety and replaced with the following:

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1) any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or.
- (2) the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relation expenses or any other loss, cost or expense incurred by the **Named Insured** or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to **damages** because of **bodily injury**.

As used herein, **electronic data** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- II. Under COVERAGES, Coverage B – Personal And Advertising Injury Liability**, the paragraph entitled **Exclusions** is amended to add the following exclusion:

Access Or Disclosure Of Confidential Or Personal Information

This insurance does not apply to **personal and advertising injury** arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the **Named Insured** or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA75089XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 15

Effective Date: 12/23/2017

CNA000174

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CNA PARAMOUNT

Professional Services

Employee Benefits Liability Coverage Part Declarations

| | | | | | | | |
|---|--|--------------------------------------|-------------|---|-------------|---|------------|
| | | | | | | | |
| | Policy Number: 6056872807 | | | | | | |
| | | | | | | | |
| 1. Named Insured and mailing address | Name: SOILS ENGINEERING SERVICES, INC. Address: 12A MAPLE AVE PINE BROOK, NJ 07058-9837 | | | | | | |
| | | | | | | | |
| 2. Type of Organization | Corporation | | | | | | |
| | | | | | | | |
| 3. Limits of Insurance, Deductible | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Each Employee Limit</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,000,000</td> </tr> <tr> <td>Employee Benefits Liability – all claims in the aggregate limit</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,000,000</td> </tr> <tr> <td>Deductible – Each Employee</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,000</td> </tr> </table> | Each Employee Limit | \$1,000,000 | Employee Benefits Liability – all claims in the aggregate limit | \$1,000,000 | Deductible – Each Employee | \$1,000 |
| Each Employee Limit | \$1,000,000 | | | | | | |
| Employee Benefits Liability – all claims in the aggregate limit | \$1,000,000 | | | | | | |
| Deductible – Each Employee | \$1,000 | | | | | | |
| | | | | | | | |
| 4. Premium, Surcharges Taxes and Fees at Issuance | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; text-align: right;">Total Premium for this Coverage Part</td> <td style="text-align: right; border-bottom: 1px solid black;">[REDACTED]</td> </tr> <tr> <td style="text-align: right;">New Jersey PLIGA Surcharge</td> <td style="text-align: right; border-bottom: 1px solid black;">[REDACTED]</td> </tr> <tr> <td style="text-align: right;">Total Premium, Surcharges Taxes and Fees for this Coverage Part</td> <td style="text-align: right; border-bottom: 1px solid black;">[REDACTED]</td> </tr> </table> | Total Premium for this Coverage Part | [REDACTED] | New Jersey PLIGA Surcharge | [REDACTED] | Total Premium, Surcharges Taxes and Fees for this Coverage Part | [REDACTED] |
| Total Premium for this Coverage Part | [REDACTED] | | | | | | |
| New Jersey PLIGA Surcharge | [REDACTED] | | | | | | |
| Total Premium, Surcharges Taxes and Fees for this Coverage Part | [REDACTED] | | | | | | |
| | Your Premium includes the following amount for Certified Acts of Terrorism [REDACTED] | | | | | | |
| 5. Audit Period: | Annual | | | | | | |
| | | | | | | | |



**CNA PARAMOUNT**

Additional Declarations – Employee Benefits Liability Schedule of Locations and Coverages

Policy Number: 6056872807

Location Level
Location Number
1

Location Address:
12A MAPLE AVE

PINE BROOK, NJ 07058

| Coverage/Hazard Description | Exposure | Premium Basis | Rate | Estimated Premium |
|-----------------------------|----------|---------------|------|-------------------|
| Employee Benefits Liability | 1 | Each Employee | Incl | |
| Location Sub-Total | | | | |





CNA PARAMOUNT

Employee Benefits Liability Coverage Part - Occurrence**I. COVERAGE**

The Insurer will pay those sums up to the applicable limit of insurance that the **Insured** becomes legally obligated to pay as **damages** as a result of a covered **claim** for an act, error or omission negligently committed in the **administration** of the **Named Insured's employee benefit program** provided that such act, error or omission:

- A.** takes place in the **coverage territory**;
- B.** was committed during the **policy period**; and
- C.** prior to the effective date of the **policy period**:
 - 1. no **authorized insured** knew or should have known of a **claim** or **circumstance**;
 - 2. no **Insured** had given notice to a prior insurer of any **related claim**.

The Insurer will pay all **defense costs** in connection with a covered **claim**. Such **defense costs** are in addition to the limits of insurance.

II. DUTY TO DEFEND

The Insurer has the right and duty to defend in the **Insured's** name and on the **Insured's** behalf any covered **suit** even if any of the allegations of such **suit** are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and settlement of a **claim** as is deemed necessary by the Insurer. If a **claim** is subject to an arbitration proceeding or mediation proceeding, the Insurer shall be entitled to exercise all of the **Insured's** rights in the choice of arbitrators or mediators and in the conduct of an arbitration proceeding or mediation proceeding involving such **claim**.

The Insurer is not obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **claim** after the applicable limit of the Insurer's liability has been exhausted by payment of **damages**.

III. EXCLUSIONS

This insurance does not apply to:

- A. Bodily Injury, Property Damage, or Personal and Advertising Injury**
any **bodily injury, property damage** or **personal and advertising injury**.
- B. Dishonest, Fraudulent, Criminal or Malicious Act Damages**
any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any **insured**, including the willful or reckless violation of any statute.
- C. Employment-Related Practices**
any wrongful termination of employment, discrimination, or other employment-related practices.
- D. ERISA/Internal Revenue Code**
any act, error or omission in the **Insured's** capacity as a fiduciary under:
 - 1. the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws; or
 - 2. the Internal Revenue Code of 1986 as now or hereafter amended.
- E. Failure to Perform a Contract**
any **failure** of performance of contract by any insurer.
- F. Inadequacy of Performance of Investment/Advice Given with Respect to Participation**
any:
 - 1. failure of any investment to perform;





CNA PARAMOUNT

Employee Benefits Liability Coverage Part - Occurrence

2. errors in providing information on past performance of investment vehicles; or
3. advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the **employee benefit program**.

G. Insufficiency of Funds

any insufficiency of funds to meet any obligations under any plan included in the **employee benefit program**.

H. Workers' Compensation and Similar Laws

any failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

IV. LIMITS OF INSURANCE AND DEDUCTIBLE

A. Limits of Insurance

1. Related Claims

All **related claims**, whenever made, shall be considered a single **claim** first made during the **policy period** in which the earliest **claim** was first made.

2. Limit of insurance – each employee

Subject to paragraph 2. below, the Insurer's limit of insurance for **damages** for all covered **claims** made by or behalf of any one **employee** including such **employee's** dependents or beneficiaries, shall not exceed the amount stated in the **Coverage Part** Declarations as "Employee Benefits Liability - each **employee**".

3. Limit of insurance - all claims in the aggregate

The Insurer's limit of insurance for **damages** for all covered **claims** shall not exceed the amount stated in the **Coverage Part** Declarations as "Employee Benefits Liability – all **claims** in the aggregate", regardless of the number of **employees**.

4. Multiple insureds, claims, and claimants

The limits of insurance shown in the **Coverage Part** Declarations and subject to the provisions of this policy, is the most the Insurer will pay as **damages** regardless of the number of **Insureds, claims** made or reported, persons or entities making **claims**, acts, errors or omission which result in **damages** or **defense costs; employee benefit plans**.

B. Deductible

1. The Insurer's obligation to pay **damages** on behalf of the **Insured** applies only to the amount of **damages** in excess of the deductible amount stated on the **Coverage Part** Declarations as applicable to each **employee** including such **employee's** dependents or beneficiaries. The limits of insurance shall not be reduced by the amount of this deductible.
2. The deductible amount stated on the **Coverage Part** Declarations applies to all **damages** sustained by any one **employee** including such **employee's** dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
3. The Insurer may pay any part or all of the deductible amount to effect settlement of any **claim** and, upon notification of the action taken, the **Insured** shall promptly reimburse the Insurer for such part of the deductible amount as the Insurer has paid.

The Limits of Insurance of this **coverage part** apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the **policy period** shown in the Policy Declarations, unless the **policy period** is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.



CNA PARAMOUNT

Employee Benefits Liability Coverage Part - Occurrence

V. CONDITIONS

Assistance and Cooperation

If there is a **claim** the **Insured** must:

- A. forward to the Insurer or its designee, copies of the papers and documents, if any, which inform the **Insured** of a **claim**, including all notices, summonses or other processes regarding legal proceedings;
- B. fully cooperate with the Insurer or its designee in all investigations, the making of settlements, the conduct of **suits** or other proceedings, enforcing any right of contribution or indemnity against another who may be liable to the **Insured** because of the **claim**. The **Insured** shall attend hearings and trials, assist in securing and giving evidence, and obtaining the attendance of witnesses.

Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this **coverage part** unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this **coverage part** which if known by the Insurer would have led to refusal by the Insurer to make this contract or provide coverage, or to make this contract or provide coverage on different terms or conditions, will be deemed material.

Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and **spouse** of any natural person **Insured** shall also be insured under this **coverage part**; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouse** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such **spouse**. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or **spouse** outside the scope of such person's capacity or status as such.

Notice of Claims and Circumstances**A. Notice of Circumstances**

The **Insured** must see to it that the Insurer is notified promptly of any **circumstance**. To the extent possible, notice should include:

- 1. how, when and where the act, error or omission took place;
- 2. the names and addresses of any injured persons or organizations and witnesses; and
- 3. the nature and location of any injury or damage arising out of the **occurrence** or offense.

B. Notice of Claims

If a **claim** is made against any **Insured**, the **Insured** must:

- 1. immediately record the specifics of the **claim** and the date received; and
- 2. notify the Insurer in writing as soon as possible.

C. The Insured must:

- 1. immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
- 2. authorize the Insurer to obtain records and other information.

- D. no **Insureds** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without the Insurer's consent.

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CNA PARAMOUNT

Employee Benefits Liability Coverage Part - Occurrence

Other Insurance

If other valid and collectible insurance is available to the **Insured** for loss insured under this **coverage part**, the Insurer's obligations are limited as follows:

A. Primary Insurance

This insurance is primary. The Insurer's obligations are not affected unless any of the other insurance is also primary. Then, the Insurer will share with all that other insurance by the method described in Paragraph **b.** below.

B. Method of Sharing

If all of the other insurance permits contribution by equal shares, the Insurer will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, the Insurer will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

Premium Audit

- A. The Insurer will compute all premiums for this **coverage part** in accordance with the Insurer rules and rates.
- B. Premium shown in this **coverage part** as advance premium is a deposit premium only. At the close of each audit period the Insurer will compute the earned premium for that period and send notice to the **First Named Insured**. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, the Insurer will return the excess to the **First Named Insured**.
- C. The **First Named Insured** must keep records of the information the Insurer need for premium computation, and send the Insurer copies at such times as the Insurer may request.

Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the **First Named Insured**, this insurance applies:

- A. as if each **Named Insured** were the only **Named Insured**; and
- B. separately to each **Insured** against whom a **claim** is made.

Transfer of Rights of Recovery

If any **Insured** for whom payment is made by the Insurer under this policy has rights to recover amounts from another, those rights are transferred to the Insurer to the extent of its payment. The **Insured** must do everything necessary after loss to secure the Insurer's rights and must do nothing to prejudice such rights.

VI. DEFINITIONS

Administration means:

- A. providing information to **employees**, including their dependents and beneficiaries, with respect to eligibility for or scope of **employee benefit programs**;
- B. handling records in connection with the **employee benefit program**; or
- C. effecting, continuing or terminating any **employee's** participation in any benefit included in the **employee benefit program**.

However, **administration** does not include handling payroll deductions.



CNA PARAMOUNT

Employee Benefits Liability Coverage Part - Occurrence

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the **Named Insured's** goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- A. notices that are published include material placed on the Internet or on similar electronic means of communication; and
- B. regarding web-sites, only that part of a web-site that is about the **Named Insured's** goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.

Authorized Insured means any **executive officer**, member of the **Named Insured's** human resources, risk management or in-house general counsel's office, or any **employee** authorized by the **Named Insured** to give or receive notice of a **claim**.

Bodily injury means physical injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury by that person at any time which results as a consequence of the bodily injury, sickness or disease.

Cafeteria plans means plans authorized by applicable law to allow **employees** to elect to pay for certain benefits with pre-tax dollars.

Claim means:

- A. **suit**; or
- B. a written or oral demand for **damages**

alleging negligent acts, errors or omissions committed in the **administration** of the **Named Insured's employee benefit plans**.

Circumstance means an act, error or omission reported during the **policy period** from which an **executive officer** reasonably expects that a **claim** could be made.

Coverage part means only those **coverage parts** designated as included in the **Schedule of Forms and Endorsements**.

Coverage territory means:

- A. the United States of America (including its territories and possessions), Puerto Rico and Canada;
- B. international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **A.** above.

Damages means the amount an **Insured** is legally obligated to pay, either through:

- A. final adjudication of a covered **claim**; or
- B. through compromise or settlement of a covered **claim** with the Insurer's written consent or direction.

In addition, **damages** includes the above mentioned sums only after deducting all other recoveries and salvages.

However, **damages** does not include with respect to any **claim**;

1. restitution, return or disgorgement of fees, costs and expenses paid or incurred or charged by an **Insured**, no matter whether claimed as restitution of specific funds, forfeiture, financial loss, set-off or otherwise, and injuries that are a consequence of any of the foregoing;
2. civil or criminal fines, sanctions, penalties forfeitures, or taxes whether pursuant to statute, regulation or court rule, including those imposed under the Internal Revenue Code;
3. the multiplied portion of multiplied awards imposed pursuant to any statute or regulation requiring such awards;
4. injunctive or declaratory relief;





CNA PARAMOUNT

Employee Benefits Liability Coverage Part - Occurrence

5. any amount that is not insurable under any applicable law; or
6. plaintiff's attorney fees associated with any of the above;
7. any amounts for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **Insured**, from the applicable funds accrued or other collectible insurance; or
8. any amounts that exceed the limits and restrictions that apply to the payment of benefits in any plan included in the **employee benefit program**.

Defense costs mean:

- A. reasonable and necessary fees, costs, and expenses incurred by the **Insurer** or consented to by the **Insurer** and incurred by the **Named Insured** in the defense or appeal of a covered **suit** or in the investigation of any covered **claim**, and includes premium for appeal bonds arising out of a covered judgment, attachment bonds or similar bonds, but only for bond amounts up to the applicable limit of insurance.
- B. prejudgment interest awarded against an **Insured** on that part of a judgment covered by this **coverage part**. If the Insurer makes an offer to pay the applicable limit of insurance, the Insurer will not pay any prejudgment interest based on that period of time after the offer.
- C. post judgment interest which accrues after entry of judgment, but before the Insurer has paid or offered to pay, or deposited in court that part of the judgment which is within the applicable limit of insurance of this **coverage part**. The amount of interest the Insurer pays will be in direct proportion to the amount of **damages** the Insurer pays in relation to the total amount of the judgment.
- D. all reasonable expenses incurred by a natural person **Insured** at the Insurer's request to assist the Insurer in the investigation or defense of the **claim**. This includes such **Insured's** actual loss of earnings up to \$1000.00 per day, because of time off from work;
- E. all court costs taxed against the **Insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.

Payment of **defense costs** will not reduce the limit of insurance.

Employee means a person actively employed, formerly employed, on leave of absence or disabled, or retired. **Employee** includes a **leased worker**. **Employee** does not include a **temporary worker**.

Employee benefit program means a program providing some or all of the following benefits to the **employees** whether provided through a **cafeteria plan** or otherwise:

- A. group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an **employee** may subscribe to such benefits and such benefits are made generally available to those **employees** who satisfy the plan's eligibility requirements;
- B. profit sharing plans, **employee** savings plans, **employee** stock ownership plans, pension plans and stock subscription plans, provided that no one other than an **employee** may subscribe to such benefits and such benefits are made generally available to all **employees** who are eligible under the plan for such benefits;
- C. unemployment insurance, social security benefits, workers' compensation and disability benefits; or
- D. vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies.

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

- A. director, officer, trustee or governor of a corporation;
- B. management committee member of a joint venture;
- C. partner of a partnership;



CNA PARAMOUNT

Employee Benefits Liability Coverage Part - Occurrence

- D. manager of a limited liability company;
- E. trustee of a trust.

An **executive officer** is not an **employee**.

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations.

Insured means any **Named Insured** and

- A. any natural person who was, is or becomes:
 - 1. the **Named Insured's executive officers**, but only for the **administration** of the **Named Insured's employee benefit program**; or
 - 2. the **Named Insured's** stockholders, but only with respect to their liability as stockholders.
 - 3. the **Named Insured's employees** authorized to administer its **employee benefit program**; or
 - 4. any natural person (including any **employee**), or any organization having proper temporary authorization to administer the **Named Insured's employee benefit program**, but only until an authorized legal representative is appointed on behalf of the **Named Insured**.
- B. any organization the **Named Insured** newly acquires or forms, other than a partnership or joint venture, and over which the **Named Insured** maintains ownership or majority interest, if there is no other similar insurance available to that organization. However:
 - 1. coverage under this provision is afforded only until the 90th day after the **Named Insured** acquires or forms the organization or the end of the **policy period**, whichever is earlier; and
 - 2. coverage does not apply to acts, errors or omissions that occurred before the **Named Insured** acquired or formed the organization.

No person or organization is an **insured** with respect to the conduct of any current or past partnership or joint venture that is not shown as a **Named Insured** in the Declarations.

In addition to the above, the estates, heirs, legal representatives or **spouses** of any of the **Named Insured's executive officers** or **employees** qualifying as an **Insured** are also insured pursuant to the condition entitled **Estates, Legal Representatives And Spouses**.

Leased worker means a natural person leased to the **Named Insured** by a labor leasing firm under an agreement between the **Named Insured** and the labor leasing firm, to perform duties related to the conduct of the **Named Insured's** business. **Leased worker** does not include a **temporary worker**.

Named Insured means the person or organization shown in the Declarations, and any other person or organization qualifying as a **Named Insured** under this **coverage part**.

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Personal and advertising injury means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution;
- C. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a natural person occupies committed by or on behalf of its owner, landlord or lessor;
- D. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E. oral or written publication, in any manner, of material that violates a natural person's right of privacy;





CNA PARAMOUNT

Employee Benefits Liability Coverage Part - Occurrence

- F. the use of another's advertising idea in the **Named Insured's advertisement**; or
- G. infringing upon another's copyright or slogan in the **Named Insured's advertisement**.

Policy period means the period of time from the effective date and time of this Policy to the date and time of termination as shown in the Policy **Declarations**, or its earlier cancellation date.

Property damage means physical injury to:

- A. tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

Related claims means all **claims** arising out of a single act, error or omission or arising out of **related acts, errors or omissions** negligently committed in the **administration** of the **Insured Entity's employee benefits program**.

Spouse means any husband or wife or any person qualifying as a domestic partner under any federal, state or local laws or under the **Named Insured's** employee benefit plans or **employee benefits program**.

Suit means a civil proceeding in which **damages** to which this insurance applies are alleged. **Suit** includes:

- A. an arbitration proceeding in which such **damages** are claimed and to which the **Insured** must submit or does submit with the Insurer's consent; or
- B. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with the Insurer's consent.

Temporary worker means a worker who is furnished to the **Named Insured** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Volunteer worker means a natural person who is not the **Named Insured's employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by the **Named Insured**, and is not paid a fee, salary or other compensation by the **Named Insured** or anyone else for their work performed for the **Named Insured**.



CNA PARAMOUNT

Employee Benefits Liability- Amended Definition of Executive Officer Endorsement

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

It is understood and agreed that under **DEFINITIONS**, the definition of **Executive Officer** is deleted and replaced by the following:

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

- A. director, officer, trustee or governor of a corporation.
- B. management committee member of a joint venture;
- C. partner of a partnership;
- D. manager of a limited liability company; or
- E. trustee of a trust.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA86269XX (10-16)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 16

Effective Date: 12/23/2017

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CNA000185

**CNA PARAMOUNT**

Amendment to Policy Declarations – Named Insured Endorsement

It is understood and agreed as follows:

The **Policy Declarations** is amended as follows:

A. Addition of Named Insureds:

The following are added as **Named Insureds**:

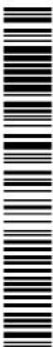
| Name and Address of Named Insured |
|---|
| SOILS ENGINEERING SERVICES, INC. |
| SESI CONSULTING ENGINEERS D. P. C. |
| SOILS ENGINEERING SERVICES, INC T/A SESI CONSULTING ENGINEERS |
| 12A MAPLE AVE |
| PINE BROOK, NJ 07058-9837 |

B. Deletion of Named Insured:

The following are deleted as **Named Insureds**:

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.





THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COORDINATION OF DEDUCTIBLES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART

The following is added to the **DEDUCTIBLE** provisions applicable to the Commercial Inland Marine and the Commercial Property Coverage Parts:

If covered losses resulting from the same occurrence are paid under the Commercial Property and the Commercial Inland Marine coverage parts, the total of the deductible amounts from this occurrence will not exceed the highest total deductible amounts applicable under a single coverage part.

Example 1:

The total deductible applicable for a covered loss occurring under the Commercial Property Coverage Part is \$2,500. The total deductible incurred under the Commercial Inland Marine Coverage Part from the same occurrence of loss is \$1,000 for a total deductible of \$3,500. However, since the highest of the deductibles incurred between these two coverage parts is \$2,500, the deductible for this occurrence of loss will be \$2,500.

Example 2:

A covered loss under the Commercial Property Coverage Part impacts 4 different locations on the policy, two with a \$500 deductible and two with a \$1,000 deductible. In this case, the deductibles apply by location so the total deductible applicable under the Commercial Property Coverage from this occurrence is \$3,000. The same occurrence of loss also impacts two different coverages under the Commercial Inland Marine Coverage Part, one coverage with a \$2,500 deductible and the other with a \$1,000 deductible for a total deductible of \$3,500, bringing the total deductible for both coverage parts from this occurrence up to \$6,500. However, since the highest of the deductibles between these two coverage parts is \$3,500, the deductible incurred for this occurrence of loss will be \$3,500.

This endorsement does not otherwise change or amend the methods used in determining or calculating the deductible amounts, as described in the terms and conditions applicable under each coverage part.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ECONOMIC AND TRADE SANCTIONS CONDITION

The following condition is added to the COMMON POLICY CONDITIONS:

ECONOMIC AND TRADE SANCTIONS CONDITION

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void **ab initio** (void from its inception) with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured, or any person or entity claiming the benefits of an insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or "suit" that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;
3. Any claim or "suit" that is brought by any Specially Designated National or Blocked Person or any person

or entity who is otherwise subject to U.S. economic or trade sanctions;

4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The following exclusion and related provisions are added:

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny payment to a co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of domestic violence.
3. If we pay a claim pursuant to Paragraph **A.2.**, our payment to the insured is limited to that insured's insurable interest in the property. In no event will we pay more than the Limit of Insurance.

To the extent that the Concealment, Misrepresentation Or Fraud Condition conflicts with the provisions of Paragraph **A.2.** above, the provisions of **A.2.** will apply.

B. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us Condition:**

If we pay a co-insured for loss arising out of an act of domestic violence by another insured, the rights of the co-insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to us to the extent of our payment. Following the loss, the co-insured who did not cooperate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic violence.

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CNA PARAMOUNT

Broad Named Insured Endorsement

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE PART
STOP GAP LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART

It is understood and agreed as follows:

- I. The **WHO IS AN INSURED** Section is amended to delete its Paragraph 3. in its entirety and replace it with the following:
 3. Pursuant to the limitations described in Paragraph IV. below, any organization in which a **Named Insured** has **management control**:
 - a. on the effective date of this **Coverage Part**; or
 - b. by reason of a **Named Insured** creating or acquiring the organization during the **policy period**,
qualifies as a **Named Insured**, provided that there is there is no other similar liability insurance, whether primary, contributory, excess, contingent or otherwise, which provides coverage to such organization, or which would have provided coverage but for the exhaustion of its limit, and without regard to whether its coverage is broader or narrower than that provided by this insurance.

However, this **BROAD NAMED INSURED** provision does not apply to:

 - (a) any partnership, limited liability company or joint venture; or
 - (b) any organization for which coverage is excluded by another endorsement attached to this **Coverage Part**.
- II. Solely with respect to organizations which qualify as **Named Insureds** by virtue of this Endorsement, this insurance does not apply to:
 - a. **bodily injury** or **property damage** that first occurred prior to the date of **management control**, or that first occurs after **management control** ceases; nor
 - b. **personal or advertising injury** caused by an offense that first occurred prior to the date of **management control** or that first occurs after **management control** ceases.
- III. The insurance provided by this **Coverage Part** applies to **Named Insureds** when trading under their own names or under such other trading names or doing-business-as names as any **Named Insured** should choose to employ.
- IV. For the purposes of this endorsement, a new definition is added as follows:

Management control means:

 - A. owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the Board of Directors of a corporation; or
 - B. having the right, pursuant to a written trust agreement, to protect, control the use of, encumber or transfer or sell property held by a trust.
- V. If the **coverage part** to which this endorsement applies is part of a package policy that also contains a Commercial General Liability Coverage Part (CGL) that has been endorsed:
 - A. with a Broad Named Insured provision, then the CGL's Broad Named Insured provision's terms hereby replace this endorsement's terms, including any terms applicable to management control, limited liability companies or joint ventures; or
 - B. to exclude from coverage an organization that otherwise would qualify as a Named Insured under this (Broad Named Insured) endorsement, then such an organization is also excluded from the coverage provided by this **coverage part**.

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 18

Effective Date: 12/23/2017

CNA000190



CNA PARAMOUNT

Broad Named Insured Endorsement

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CNA PARAMOUNT
Bridge Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART

It is understood and agreed as follows:

- I. The **Common Terms and Conditions** are amended to delete the sections entitled "Bankruptcy" and "No Suit Against Insurer" as the conditions section of the **Coverage Part** has more specific conditions of its own.
- II. The conditions section is amended to delete the condition entitled **When We Do Not Renew**. Please refer instead to Condition **III. CANCELLATION/NONRENEWAL** of the **Common Terms and Conditions**.
- III. The **DEFINITIONS** section is amended to add the following new definitions:

Claim means:

- A. a **suit**; or
- B. a written or oral demand for **damages** alleging injury to which this insurance applies.

Coverage part means only those coverage parts designated as included in the **Schedule of Forms and Endorsements**.

Damages means the amount an **Insured** is legally obligated to pay, either through:

- A. final adjudication of a covered **claim**; or
- B. through compromise or settlement of a covered **claim** with the Insurer's written consent or direction.

Defense costs means those amounts set forth under the **SUPPLEMENTARY PAYMENTS** section of any applicable coverage part.

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations.

Insured means those persons or organizations as set forth in the section entitled **Who is an Insured**.

Named Insured means the persons or organizations named as such in the Declarations and any other person or organization qualifying as a named insured under this policy.

Policy period means the period of time from the effective date and time of this Policy to the date and time of termination as shown in the Policy Declarations, or its earlier cancellation date.

Spouse means any husband or wife or any person qualifying as a domestic partner under any applicable federal, state or local laws or under the **Named Insured's** employee benefit plans.

- IV. Where the phrase "claim or **suit**" appears, it is deleted and replaced with the defined term **claim**.
- V. Any reference to "the Insurer" in this Policy refers to the company providing this insurance.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA62646XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 19

Effective Date: 12/23/2017

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**CNA PARAMOUNT****Cancellation / Non-Renewal – New Jersey**

Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insureds" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL**A. CANCELLATION**

1. The first Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
2. The Insurer may cancel the policy at any time and for any reason within the first sixty (60) days. The Insurer will mail or deliver written notice of cancellation at least ten (10) days prior to the effective of such cancellation if cancellation is for nonpayment or existence of a moral hazard as defined by NJAC 11:1-20.2(f) and thirty (30) days if for any other reason.
3. If the policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:
 - a. May be canceled for any underwriting reason set forth in our underwriting guidelines which were in effect at the policy inception. The underwriting guidelines must not be arbitrary, capricious or unfairly discriminatory.
 - b. The following text sets forth certain approved reasons for midterm cancellations as approved guidelines. While an Insurer may issue other guidelines, it appears that an Insurer should limit its guidelines for midterm cancellation to those the Department has approved to avoid the possibility that the Department might rescind a cancellation.
 - c. All underwriting reasons or guidelines utilized by the Insurer to cancel or non-renew the policy will be maintained by Insurer in writing and will be available to the Named insured or the Named Insured's lawful representatives upon written request.
 - d. Only those guidelines which are in effect at the inception of the original policy or any renewal thereof, as applicable, may be utilized to cancel during the policy period.
 - e. The following guidelines are approved for use:
 - (1) Non-payment of premium;
 - (2) Moral hazard, which is defined as:
 - (a) The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a "moral hazard;" and
 - (b) The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability which we will be held responsible. Any change in the character or

CNA62814NJ (9-12)

Page 1 of 3

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 20

Effective Date: 12/23/2017



**CNA PARAMOUNT****Cancellation / Non-Renewal – New Jersey**

circumstances of an individual, corporate, partnership or other insured that will increase probability of such a loss or liability may be considered a "moral hazard."

- (3) Material misrepresentation or non-disclosure of material fact.
- (4) Increased hazard or material change in the risk by the parties at inception of coverage.
- (5) Substantial breaches of policy provisions that materially affect the nature and/or insurability of the risk.
- (6) Lack of cooperation on loss control matters which materially affect insurability.
- (7) Fraudulent acts which materially affects the risk.
- (8) Loss of or reduction in available insurance capacity. This is an acceptable reason for cancellation only if the following exists:
 - (i) an insurance department has declared insured to be financially impaired.
 - (ii) substantial reductions in reinsurance or other changes which prohibit us from providing coverage at the same limits and terms as the existing policy; or
 - (iii) an insurance department has issued an order indicating impaired financial condition of the reinsurer which may adversely affect the reinsurer's ability to meet its obligations.
- (9) Failure of the Insured to comply with any federal, state or local fire, health, safety, building or construction regulation, law or ordinance which substantially increases any hazard insured against. The Insured has sixty (60) days to correct.
- (10) Failure by the Insured to provide reasonable and necessary underwriting information to us upon written request and a reasonable time to respond.
- (11) Agency termination, provided:
 - (i) It is documented that replacement coverage at comparable rates and terms has been provided to the Insured, and the Insured has been informed, in writing of his or her right to continue coverage; or
 - (ii) the Insured has agreed in writing to the cancellation based upon the termination of the agent.

The Insurer will mail notice of cancellation to the Named Insured not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, notice of cancellation will be mailed at least ten (10) days prior to the effective date of such cancellation.

- 4. All notices of cancellation will state the reason for cancellation.
- 5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

CNA62814NJ (9-12)

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 20

Effective Date: 12/23/2017

**CNA PARAMOUNT****Cancellation / Non-Renewal – New Jersey****C. NON-RENEWAL**

1. The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured, at the last mailing address known to the Insurer, not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of non-renewal. The notice will be sent by certified mail or by first class mail, if a date stamped proof of mailing has been obtained from the post office.
2. Like notice of non-renewal will state the actual reason for non-renewal.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA62814NJ (9-12)

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The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 20

Effective Date: 12/23/2017

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CNA PARAMOUNT

Amendatory Endorsement – New Jersey

It is understood and agreed as follows:

- I. The **CONCEALMENT, MISREPRESENTATION AND FRAUD** condition of the **First Party Terms and Conditions** is deleted and replaced with the following:

CONCEALMENT, MISREPRESENTATION AND FRAUD

This entire policy shall be canceled if, whether before or after a loss, the **Named Insured** or designated representatives:

- A. has concealed or misrepresented any material fact or circumstance concerning:
 - 1. this insurance or the subject thereof;
 - 2. the interest of the **Named Insured** therein; or
 - 3. any claim; or
- B. has falsely sworn to any such material fact or circumstance.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

30020000760568728075435



CNA62815NJ (10-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 21

Effective Date: 12/23/2017

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CNA000196

**CNA PARAMOUNT****Calculation of Premium Endorsement**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 STOP GAP LIABILITY COVERAGE PART
 TECHNOLOGY ERRORS AND OMISSIONS LIABILITY COVERAGE PART

It is understood and agreed that the following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, the Insurer will compute the premium in accordance with the Insurer's rates and rules then in effect.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

30020000760568728075436



CNA74726XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 22

Effective Date: 12/23/2017

CNA000197



CNA PARAMOUNT
Bridge Endorsement

It is understood and agreed as follows:

I. Paramount Common Terms and Conditions

Solely with respect to the insurance provided under coverage forms of the Commercial Inland Marine Coverage Part and/or Equipment Breakdown Coverage Part, as indicated in the Declarations:

- A.** Reference to the "Common Policy Conditions" is deleted and replaced with "Common Terms and Conditions."
B. With respect to terms used within the Common Terms and Conditions:
1. The following terms in bold face type will carry the meaning of the modified term set forth below, as defined or described within the applicable coverage form:

| BOLDED TERM | MODIFIED TERM |
|----------------------|---|
| Coverage Part | "Commercial Inland Marine Coverage Part" and "Equipment Breakdown Coverage Part," as applicable |
| Named Insured | "you," "your," and Named Insured , as applicable |

2. **First Named Insured** means the person or organization first listed as a **Named Insured** in the Declarations.
 3. **Policy period** means the period of time from the effective date and time of this policy to the date and time of termination as shown in the Declarations, or its earlier cancellation date.
- C.** The NO SUIT AGAINST INSURER condition within the Common Terms and Conditions is deleted and replaced with the Legal Action Against Us condition applicable to the Commercial Inland Marine Coverage Part and/or Equipment Breakdown Coverage Part.

II. ISO Forms

- A.** If any ISO Properties, Inc. endorsement with a form number prefix of "IL" is attached to this Policy and indicates that it amends one or more of the following forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL PROPERTY – LEGAL LIABILITY COVERAGE FORM
COMMERCIAL PROPERTY – MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM
CRIME AND FIDELITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

then such endorsements are hereby amended to delete those form references.

CNA85485XX (05-2016)

Page 1 of 2

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 23

Effective Date: 12/23/2017

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CNA000198

30020000760568728075437





CNA PARAMOUNT
Bridge Endorsement

- B. Cancellation and Nonrenewal provisions are set forth in the Common Terms and Conditions and related amendatory endorsements. As such, any reference to such conditions within an ISO Properties, Inc. endorsement is deleted in its entirety.
- C. Amendments to any other Common Policy Conditions within an ISO Properties, Inc. form will continue to apply but to the corresponding section of the Common Terms and Conditions. Where the condition title is not the same, the following translations apply:

| Common Policy Conditions IL0017 or IL0146 | Common Terms and Conditions CNA62642 |
|---|--|
| Examination Of Your Books And Records | Examination of the Insured's Books And Records |

III. Inland Marine Form Structure Differences

Solely with respect to the coverage forms of the Commercial Inland Marine Coverage Part:

- A. The Commercial Inland Marine Conditions and various endorsements may use one or more of the following terms which may not be defined with respect to a particular inland marine coverage form. If such is the case, the following translation applies:
- "you" and "your" refer to "named insured," "named insured's" or "named insureds";
 - "we," "us" and "our" refer to "the insurer" or "the insurer's";
 - "Covered Property" refers to **insured property**.
 - "Covered Causes of Loss" refers to **covered perils**.
- B. Coverage Territory, as referenced under the Commercial Inland Marine Conditions, will be either defined or described under Additional Conditions of the coverage forms.
- C. Certain endorsements may reference "Section B. EXCLUSIONS, paragraph 1." when referring to exclusions subject to concurrent causation provisions. Solely with respect to coverage forms included in the commercial inland marine coverage part that do not include this section, such endorsement's reference to "Section B. EXCLUSIONS, paragraph 1." is hereby changed to "EXCLUSIONS section, paragraph A. Excluded Perils Subject to Concurrent Causation Provision."

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CNA PARAMOUNT

Asbestos Exclusion Endorsement

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 LIQUOR LIABILITY COVERAGE FORM
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
 RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
 SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK
 STOP GAP COVERAGE PART

It is understood and agreed that the following exclusion is added:

This insurance does not apply to:

- A. bodily injury, property damage or personal and advertising injury** arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or
- B.** any loss, cost or expense that may be awarded or incurred:
1. by reason of a **claim** for any **bodily injury, property damage or personal and advertising injury** arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or
 2. in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of **asbestos**.

As used herein, **asbestos** means the mineral in any form whether or not the asbestos was at any time:

- i. airborne as a fiber, particle or dust;
- ii. contained in or formed a part of a product, structure or other real or personal property;
- iii. carried on clothing;
- iv. inhaled or ingested; or
- v. transmitted by any other means.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA74719XX (1-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 24

Effective Date: 12/23/2017

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CNA000200



CNA PARAMOUNT

Nuclear Energy Liability Exclusion Endorsement (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
STOP GAP LIABILITY COVERAGE PART

It is understood and agreed that the policy is amended as follows:

I. The insurance does not apply:

A. under any Liability Coverage, to **bodily injury or **property damage**:**

1. with respect to which an **Insured** under the policy is also an **Insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an **Insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
2. resulting from the **hazardous properties** of **nuclear material** and with respect to which
 - a. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - b. the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. under any Medical Payments coverage, to expenses incurred with respect to **bodily injury resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.**

C. under any Liability Coverage, to **bodily injury or **property damage** resulting from **hazardous properties** of **nuclear material**, if:**

1. the **nuclear material**
 - a. is at any **nuclear facility** owned by, or operated by or on behalf of, an **Insured** or
 - b. has been discharged or dispersed therefrom;
2. the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
3. the **bodily injury** or **property damage** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion 3. applies only to **property damage** to such **nuclear facility** and any property thereat.

II. As used in this endorsement:

Hazardous properties includes radioactive, toxic or explosive properties.

Nuclear material means **source material**, **special nuclear material** or **by-product material**.

Source material, **special nuclear material**, and **by-product material** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

CNA74727XX (1-15)

Page 1 of 2

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 25

Effective Date: 12/23/2017

CNA000201

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CNA PARAMOUNT

Nuclear Energy Liability Exclusion Endorsement (Broad Form)

Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

Waste means any waste material:

- A. containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and
- B. resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**.

Nuclear facility means:

- A. any **nuclear reactor**;
- B. any equipment or device designed or used for
 - 1. separating the isotopes of uranium or plutonium,
 - 2. processing or utilizing **spent fuel**, or
 - 3. handling, processing or packaging **waste**;
- C. any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **Insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- D. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Property damage includes all forms of radioactive contamination of property.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA74727XX (1-15)

Page 2 of 2

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 25

Effective Date: 12/23/2017

CNA000202



CNA PARAMOUNT

Cap on Losses from Certified Acts of Terrorism Endorsement

Solely with respect to the following coverage parts:

Business Property
Inland Marine

General Liability
Employee Benefits Liability

It is understood and agreed as follows:

A. Cap on Certified Terrorism Losses

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the Terrorism Risk Insurance Act, as extended and reauthorized (the "Act"). The criteria contained in the Act for a **certified act of terrorism** include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Calendar year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this **coverage part** or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA81503XX (2-15)

Page 1 of 1

The Continental Insurance Co.

Insured Name: SOILS ENGINEERING SERVICES, INC.

Policy No: 6056872807

Endorsement No: 26

Effective Date: 12/23/2017

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CNA000203

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333 S Wabash
Chicago, Illinois 60604

| Policy Number | From | Policy Period | To | Coverage Is Provided By | Agency |
|--|----------|---------------|----|---|-----------|
| C6056872807 | 12/23/17 | 12/23/18 | | Continental Insurance Company | 028570886 |
| Named Insured And Address | | | | Agent | |
| SOILS ENGINEERING SERVICES, INC. 12A MAPLE AVE PINE BROOK, NJ 07058-9837 | | | | SCHINNERER & CO., INC. VICTOR O. TWO WISCONSIN CIRCLE CHEVY CHASE, MD 20815 | |

** PAYMENT PLAN SCHEDULE **

THE BILLING FOR THIS POLICY WILL BE
FORWARDED TO YOU DIRECTLY FROM CNA.

THE PREMIUM AMOUNT FOR THIS TRANSACTION
IS [REDACTED] .

THIS PREMIUM WILL BE INVOICED BY CNA ON
A SEPARATE STATEMENT ACCORDING TO THE
PAYMENT OPTION YOU SELECT.

ISSUE DATE 01/03/18



CNA000204

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END OF COPY

CNA000205

GROUP EXHIBIT F-2



CNA Paramount Excess and Umbrella Liability

Insured Name

SOILS ENGINEERING SERVICES, INC.
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Producer Information

SCHINNERER & CO., INC. VICTOR O.
2 WISCONSIN CIR
CHEVY CHASE, MD 20815

Policy Number

CUE 6056872810

Producer Processing Code

886-028570

Policy Period

12/23/2017 to 12/23/2018

CNA Branch

VOSCO

Claim Services

To file a claim contact us at:

Email: HPReports@CNA.com
Fax#: 800-446-8632
Phone Number: 866-909-5343
Mailing Address: Middle Market
CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Crisis Management Expenses

- \$300,000 Crisis Management Limit is first dollar, in addition to the policy limit, and is available for all covered expenses, with no sublimit for Public Relations expense

The following are suggested Crisis Management firms:

Website

www.ogilvypr.com

Contact

Mike Hatcliffe
Ogilvy Public Relations
mike.hatcliffe@ogilvy.com

Phone: (312) 397-6010

<http://levick.com>

Eric A. Lundberg

Levick
elundberg@levick.com

Phone: (202) 973-1352

<http://fleishmanhillard.com>

Marianna Deal
Fleishman-Hillard
marianna.deal@fleishman.com

Phone: (314) 982-9112

Quality Assurance

Questions pertaining to this transaction should be referred to CNA Customer Interaction Center at 877-574-0540, Option 3. Please send endorsement requests to ciet@cna.com or fax 877-363-8669.



CNA Paramount Excess and Umbrella Liability
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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

POLICYHOLDER NOTICE – NEW JERSEY PLIGA

IMPORTANT INFORMATION

"PLIGA" SURCHARGE

FOR OUR NEW JERSEY

COMMERCIAL LINES POLICYHOLDERS

Your policy premium includes a New Jersey Property – Liability Insurance Guaranty Association (PLIGA) surcharge.

PLIGA protects consumers from insurance company insolvencies. The cost of this guaranty fund is assessed to all insurance companies in New Jersey; and in compliance with Department of Insurance Order No. A14-109, it is passed along to individual consumers via this surcharge.

The surcharge is 0.60% of your premium for all property/liability coverage except for life insurance, accident and health insurance, workers' compensation insurance, title insurance, annuities, surety bonds, credit insurance, mortgage guaranty insurance, municipal bond coverage, fidelity insurance, investment return assurance, ocean marine insurance, and pet health insurance.

For purposes of this surcharge and in compliance with New Jersey Insurance Department Regulation N.J.S.A. 17:30A-8a (3), the declarations page of this policy is the "premium bill."

If you have questions about the New Jersey – Liability Insurance Guaranty Association or this surcharge, please contact your independent CNA agent.

Form No: CNA62848NJ (02-2017)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 3 of 54


NOTICE – OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM
IMPORTANT INFORMATION
**NOTICE – OFFER OF TERRORISM COVERAGE;
DISCLOSURE OF PREMIUM**

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Program Year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Form No: CNA75532XX (01-2015)

Policyholder Notice Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 4 of 54



CNA Paramount Excess and Umbrella Liability
Policyholder Notice

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.

Form No: CNA75532XX (01-2015)

Policyholder Notice Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 5 of 54



CNA Paramount Excess and Umbrella Liability
Policyholder Notice

POLICYHOLDER NOTICE – OFAC REQUIREMENTS

POLICYHOLDER NOTICE

CNA Commercial Insurance

CNA Plaza 38S-420

Chicago, IL 60685-0001

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit **all** United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Form No: CNA76614XX (03-2015)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 6 of 54



CNA Paramount Excess and Umbrella Liability
Policyholder Notice

POLICY LIMITATION DISCLOSURE NOTICE

This Disclosure Notice is not your policy. **READ YOUR POLICY CAREFULLY** to determine rights, duties, and what is and is not covered. Only the provisions of your policy determine the extent of your insurance protection.

This policy contains exclusions relating to asbestos and silica. As stated in the exclusions, the policy does not provide any coverage for liability arising out of the presence of or exposure to asbestos or silica.

Form No: CNA76626XX (07-2016)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 7 of 54


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
POLICY DECLARATIONS
Named Insured and Mailing Address
Named Insured:

SOILS ENGINEERING SERVICES, INC.

Mailing Address:

12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Policy Information
Policy Number: 6056872810

Renewal of:
Insurer's Name and Address:

The Continental Insurance Company
333 S Wabash Ave
Chicago, IL 60604

Producer Information
Producer:

SCHINNERER & CO., INC. VICTOR O.
2 WISCONSIN CIR
CHEVY CHASE, MD 20815

Producer Code: 886-028570

Policy Period

12/23/2017 to 12/23/2018 at 12:01 a.m. Standard Time at your mailing address.

Limits of Insurance

| | |
|--|-------------|
| Each Incident Limit | \$5,000,000 |
| Aggregate Limit | \$5,000,000 |
| Aggregate Products-Completed Operations Hazard Limit | \$5,000,000 |
| Policy Aggregate Limit | N/A |
| Crisis Management Expenses Aggregate Limit | \$300,000 |
| Key Employee Replacement Expenses Aggregate Limit | \$100,000 |

Self-Insured Retention

Self-Insured Retention \$10,000

Schedule of Underlying Insurance
Underlying Insurer
Policy Number
Policy Period
Note:
Underlying Insurance
Coverages
Limits of Insurance

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 1 of 3

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 8 of 54


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**

| | | | |
|---|-----------------------------|---|-------------|
| Continental Insurance Company 6056872807 12/23/2017 to 12/23/2018 | General Liability | Each Occurrence Limit | \$1,000,000 |
| | | General Aggregate Limit | \$2,000,000 |
| | | Per Location : no | |
| | | Per Project : no | |
| | | Products/ Completed Operations Aggregate Limit | \$2,000,000 |
| | | Personal and Advertising Injury Liability Limit | \$1,000,000 |
| American Casualty Company of Reading, Pennsylvania 6056872791 12/23/2017 to 12/23/2018 | Auto Liability | Combined Single Limit | \$1,000,000 |
| Continental Insurance Company 6056872807 12/23/2017 to 12/23/2018 | Employee Benefits Liability | Each Employee Limit | \$1,000,000 |
| | | Aggregate Limit | \$1,000,000 |

Forms and Endorsements Attached to this Policy
See SCHEDULE OF FORMS AND ENDORSEMENTS
Premium

| | |
|------------------------|-------------------------|
| Minimum Earned Premium | 0% of the Total Premium |
| Total Premium | |

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 2 of 3

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 9 of 54


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**

| | |
|--|--|
| Premium includes the following amount for Certified Acts of Terrorism Coverage | |
| New Jersey Property & Liability Insurance Guaranty Association Surcharge | |

Notices
Notice to insurer

Address: CNA Claims Reporting
 P.O. Box 8317
 Chicago, IL 60680-8317
 Fax #: 800-446-8632
 Email Address: HPReports@CNA.com

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

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**CNA Paramount Excess and Umbrella Liability
Policy Schedule**
SCHEDULE OF FORMS AND ENDORSEMENTS

| Endorsement Number | Form Name | Form Number | Form Edition Date |
|--------------------|---|-------------|-------------------|
| 1 | CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY | CNA62814NJ | 09-2012 |
| 2 | PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT | CNA75518XX | 03-2015 |
| 3 | EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT | CNA75576XX | 03-2015 |
| 4 | NAMED INSURED ENDORSEMENT | CNA75597XX | 03-2015 |
| 5 | UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT | CNA76492XX | 03-2015 |
| 6 | COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT NEW JERSEY | CNA76597NJ | 03-2015 |
| 7 | AMENDMENT TO NAMED INSURED | CNA88301XX | 08-2017 |
| | PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY | CNA75504XX | 03-2015 |
| | PAYMENT PLAN SCHEDULE | CNA84401XX | 12-2015 |
| | POLICYHOLDER NOTICE - NEW JERSEY PLIGA | CNA62848NJ | 02-2017 |
| | POLICY DECLARATIONS | CNA75501XX | 03-2015 |
| | NOTICE - OFFER OF TERRORISM COVERAGE, DISCLOSURE OF PREMIUM | CNA75532XX | 01-2015 |
| | POLICYHOLDER NOTICE OFAC REQUIREMENTS | CNA76614XX | 03-2015 |
| | POLICY LIMITATION DISCLOSURE NOTICE | CNA76626XX | 07-2016 |

Form No: CNA62640XX (09-2012)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

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**CNA Paramount Excess and Umbrella Liability
Policy Schedule**
PAYMENT PLAN SCHEDULE
PAYMENT PLAN SCHEDULE

THE BILLING FOR THIS POLICY WILL BE FORWARDED TO YOU DIRECTLY FROM CNA.

THIS PREMIUM WILL BE INVOICED BY CNA ON A SEPARATE STATEMENT ACCORDING TO THE PAYMENT OPTION YOU SELECT.

The premium amount for this transaction is:

| Premium | Commission |
|------------|------------|
| ██████████ | ██████████ |
| ██████████ | ██████████ |

Form No: CNA84401XX (12-2015)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 12 of 54



PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

The "Insurer" refers to the insurer providing this insurance as set forth on the Declarations of this Policy. Words and phrases that appear in **bold** have special meaning. Refer to the section entitled **DEFINITIONS**.

I. COVERAGES

A. Coverage A - Excess Follow Form Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the applicable **underlying limits**. Coverage hereunder will attach only after the full amount of the applicable **underlying limits** have been exhausted through payment in legal currency of covered loss under all applicable **underlying insurance** and to which this Coverage A applies.

Coverage A under this Policy will then apply in conformance with the provisions of the applicable **underlying insurance** except for the premium, limits of insurance, deductible, retentions, or any defense obligations and any other terms and conditions specifically set forth in this Policy.

Upon exhaustion of the applicable **underlying limits**, the Insurer shall only pay for **damages** in excess of the applicable **underlying limits**. This Coverage A does not provide coverage for any loss not covered by the applicable **underlying insurance** except and to the extent that such loss is not paid under the applicable **underlying insurance** solely by reason of the exhaustion of the applicable **underlying limits** through payment of loss thereunder.

This Coverage applies:

1. if the applicable **underlying insurance** is on an occurrence basis, then only if that which must take place in the policy period of the **underlying insurance** in order to trigger coverage, takes place during this **policy period**; and
2. if the applicable **underlying insurance** is on a claims made basis, then only if:
 - a. that which must take place in the **underlying insurance** in order to trigger coverage, takes place after the retroactive date and prior to the end of the **policy period**; and
 - b. the **claim** is first made during the **policy period**.

B. Coverage B - Umbrella Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the **retained amount**:

1. that an **Insured** becomes legally obligated to pay because of **bodily injury**, **property damage** or **personal and advertising injury**; or
2. because of liability for **bodily injury** or **property damage** assumed under an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of such **insured contract**;

and provided that:

- a. the **bodily injury** or **property damage** occurs during the **policy period**;
- b. the **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**;



CNA Paramount Excess and Umbrella Liability Policy

- c. the **personal and advertising injury** is caused by an offense arising out of the **Named Insured's** business; and
- d. the offense giving rise to **personal and advertising injury** was first committed during the **policy period** and in the **coverage territory**;

Provided, however, that **Coverage B - Umbrella Liability**:

- i. does not apply to:
 - (a) any part of **damages** to which **underlying insurance** applies; or
 - (b) any part of **damages** to which **underlying insurance** would have applied regardless of:
 - (1) the availability of **underlying insurance**; or
 - (2) the exhaustion of the applicable **underlying limits**;
 - (c) any **defense costs** related to **damages** as described in a. and b. above.
- ii. applies only if prior to the effective date of the **policy period**, no **authorized insured**:
 - (a) knew that such **bodily injury** or **property damage** had occurred, in whole or in part. If any **authorized insured** knew, prior to the **policy period**, that any such **bodily injury** or **property damage** had occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**; or
 - (b) knew that any offense giving rise to **personal and advertising injury** had occurred, in whole or in part.

Bodily injury or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any **authorized insured**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

An **authorized insured** will be deemed to know:

- 1. that such **bodily injury** or **property damage** occurred, at the earliest time when such **authorized insured**:
 - a. reports the **bodily injury** or **property damage** to the Insurer or any other insurer;
 - b. receives a **claim** arising out of the **bodily injury** or **property damage**; or
 - c. becomes aware by any other means that the **bodily injury** or **property damage** has occurred or has begun to occur;
- 2. that such offense giving rise to **personal and advertising injury** occurred, on the date of the first utterance or dissemination or, if there is no utterance or dissemination, then on the first date of the activity giving rise to a **claim**.

C. Coverage C - Crisis Management Expenses

The Insurer will reimburse the **Named Insured** for **crisis management expenses** incurred by the **Named Insured** as a direct result of its response to a **crisis management event** that first occurs during the **policy period**, provided:

- 1 such **crisis management event** is reported to the Insurer as soon as reasonably practicable following the **crisis management event**, or within 72 hours after such **crisis management event** begins if such **crisis management event** is likely to give rise to **bodily injury** or **property damage**;



CNA Paramount Excess and Umbrella Liability Policy

2. such **crisis management expenses** are incurred within 180 days after the **crisis management event** and reported to the Insurer as soon as reasonably practicable; and,
3. such **crisis management expenses** are approved in advance by the Insurer.

The period of time for which the Insurer will pay **crisis management expenses** will not be limited by the expiration of the **policy period**.

D. Coverage D – Key Employee

The Insurer will reimburse the **Named Insured** for **key employee replacement expenses** due to the **Named Insured's** permanent loss of the services of a **key employee** provided that:

1. the **Named Insured** would not have incurred such **key employee replacement expenses** if the **Named Insured** had not lost the services of the **key employee**;
2. such **key employee replacement expenses** are incurred by the **Named Insured** within 180 days of the **covered accident** and reported to the Insurer as soon as reasonably practicable;
3. such loss of service is caused by a **covered accident**;
4. the **covered accident** occurs during the **policy period**; and
5. a replacement for such **key employee** is hired within 180 days after the **covered accident**.

The period of time for which the Insurer will pay **key employee replacement expenses** will not be limited by the expiration of the **policy period**.

II. DEFENSE COSTS PAYMENT AND RELATED DUTIES

- A. The Insurer has the right and duty to defend any **suit**, and the right to assume control of the investigation and settlement of any **claim**, against the **Insured**, as follows:
 1. with respect to the **Coverage A - Excess Follow Form Liability**, upon exhaustion through payment in legal currency of the full amount of the applicable **underlying limits** over which **Coverage A** applies.
 2. with respect to the **Coverage B - Umbrella Liability**, upon receipt by the Insurer of a **claim** to which Coverage B applies.

When the Insurer has the duty to defend any **suit** and the right to investigate any **claim** but is prevented by law from doing so, the **Insured** will undertake such defense and investigation, and the Insurer will reimburse the **Insured** for the **defense costs**.

The Insurer's obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** does not apply if any other insurer has a duty to defend. Further, any obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** ceases upon exhaustion of the applicable limits of insurance of this Policy.

- B. The Insurer may, at the Insurer's sole discretion and at the Insurer's own cost, elect to participate in the investigation, settlement or defense of any **claim** against any of the **Insureds** for matters covered by this Policy even if the applicable **underlying limit** has not been exhausted.
- C. The Insurer will pay **defense costs** as follows:
 - 1 with respect to the **Coverage A - Excess Follow Form Liability**, **defense costs** are paid within or excess of the limits of insurance as set forth in the applicable **underlying insurance**.
 2. with respect to the **Coverage B - Umbrella Liability**, **defense costs** are paid in excess of and do not erode the limits of insurance or the **retained amount**.
- D Where the Insurer investigates a **claim** or defends a **suit**, the Insurer will do so even if the allegations of a **claim** are groundless, false, or fraudulent. If Insurer investigates a **claim** or defends a **suit**, Insurer will



CNA Paramount Excess and Umbrella Liability Policy

do so only until the Insurer:

1. makes payment of; or
2. offers to pay; or
3. deposits in court

that part of a judgment up to but not exceeding the Insurer's applicable limits of insurance.

- E.** No **Insured** shall admit liability, consent to any judgment, agree to any settlement or make any settlement offer which is reasonably likely to involve this Policy without the Insurer's prior written consent, such consent not to be unreasonably withheld. The **Insureds** agree that they shall not knowingly take any action that increases the Insurer's exposure for **damages** or **defense costs** under this Policy.

III. EXCLUSIONS

A. Coverage A - Excess Follow Form Liability and Coverage B - Umbrella Liability Exclusions

With respect to both the **Coverage A - Excess Follow Form Liability** and **Coverage B -Umbrella Liability**, this Insurance does not apply to:

1. Access to or Disclosure of Confidential or Personal Information and Data-Related Liability

any actual or alleged **damages** arising out of:

- a. any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- b. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the **Named Insured** or others arising out of that which is described in paragraph **a.** or **b.** above.

However, unless paragraph **a.** above applies, this exclusion does not apply to **bodily injury** to the extent that such liability is covered by **underlying insurance**.

2. Asbestos

- a. any actual or alleged liability arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or
- b. any actual or alleged loss, cost or expense that may be awarded or incurred:
 - i. by reason of a **claim** for any such injury or damage; or
 - ii. in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of **asbestos**.

3. Damage to Impaired Property or Property not Physically Injured

any actual or alleged **property damage** to **impaired property** or property that has not been physically injured, arising out of:

- a. a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- b. a delay or failure by the **Named Insured** or anyone acting on the **Named Insured's** behalf to perform a contract or agreement in accordance with its terms.



This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

4. Damage to Premises Rented or Occupied by the Named Insured

any actual or alleged **property damage** to premises rented to the **Named Insured** or in the case of damage by fire, while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the owner.

5. Distribution or Recording of Material or Information in Violation of Laws

any actual or alleged liability arising directly or indirectly out of any actual or alleged:

- a. violation of:
 - i. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - ii. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - iii. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
 - iv. any statute, ordinance, regulation or law other than the TCPA, CAN-SPAM Act of 2003, or FCRA, including FACTA, and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information; or
- b. conversion or consumption of another's tangible property or electronic assets. For the purpose of this provision, electronic assets include but are not limited to minute allowances, text message allowances, and other electronic consumables.

6. Employment Related Practices

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a. a person arising out of any actual or alleged:
 - i. refusal to employ that person;
 - ii. termination of that person's employment;
 - iii. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. the **spouse**, child, parent, brother or sister of that person as a consequence of such **bodily injury** or **personal and advertising injury** to that person at whom any of the employment-related practices described in paragraphs a. i., ii., or iii. above is directed.

This exclusion applies:

- a. whether the injury-causing event described in paragraphs a. i., ii., or iii. above occurs before employment, during employment or after employment of that person;
- b. whether the **Insured** may be liable as an employer or in any other capacity; and
- c. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, this exclusion does not apply to **bodily injury** a person sustains during a job interview while attempting to demonstrate a physical capability or skill required by the job to the extent that



CNA Paramount Excess and Umbrella Liability Policy

such liability is covered by **underlying insurance**.

7. ERISA

any actual or alleged liability arising out of any actual or alleged obligation of any **Insured** under the Employees Retirement Income Security Act of 1974 or any similar common or statutory law anywhere in the world including any amendments or additions thereto.

8. Nuclear Energy Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury**:

- a. with respect to which an **Insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of insurance;
- b. resulting from the **hazardous properties of nuclear material** and with respect to which:
 - i. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - ii. the **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- c. resulting from **hazardous properties of nuclear material**, if:
 - i. the **nuclear material**:
 - (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **Insured** or
 - (b) has been discharged or dispersed therefrom;
 - ii. the **nuclear material** is contained in **spent fuel or nuclear waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
 - iii. the **bodily injury, property damage or personal and advertising injury** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion applies only to **property damage** to such **nuclear facility** and any property thereat.
- d. Under any Medical Payments coverage, to expenses with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

Solely as used in this exclusion:

- (a) **property damage** includes all forms of radioactive contamination of property;
- (b) **hazardous properties** includes but is not limited to radioactive, toxic or explosive properties;
- (c) source material, special nuclear material, and by-product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.



9. Recall of Products, Work or Impaired Property

any actual or alleged loss, cost or expense incurred by the **Named Insured** or any person or entity, for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product, your work or impaired property**, if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

10. Unfair Competition/Antitrust Claims/RICO Claims

any actual or alleged liability arising out of any:

- a. unfair competition, dilution, deceptive trade practices, or civil actions for consumer fraud;
- b. charges of price fixing, monopolization or restraint of trade; or
- c. any violation of:
 - i. the Federal Trade Commission Act;
 - ii. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - iii. the Racketeer Influenced and Corrupt Organizations Act;
 - iv. any rules or regulations promulgated under or in connection with the above statutes; or
 - v. any state, federal or local statute or other law which similarly regulates business practices.

11. Uninsured/Underinsured Motorists

any actual or alleged liability arising out of any obligations under an uninsured/underinsured motorist law, a personal injury protection law, a reparations benefit law or other similar law.

12. War

any actual or alleged liability arising, directly or indirectly out of any:

- a. war, including undeclared or civil war;
- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Workers' Compensation and Similar Laws /Nonsubscriber Status

any actual or alleged liability arising out of any obligation of any **Insured**:

- a. under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- b. by reason of a statement of non-subscription on file with any applicable Worker's Compensation authority of any State indicating the **Named Insured** has chosen not to participate in the Workers Compensation system in accordance with laws of such state.

B. Coverage A - Excess Follow Form Liability Exclusions

With respect to **Coverage A - Excess Follow Form Liability**, this Insurance does not apply to:

1. Coverages Subject to a Sub Limit

any actual or alleged liability, loss, cost or expense covered under any **underlying insurance** which is



CNA Paramount Excess and Umbrella Liability Policy

subject to a **sub limit**.

2. Crisis Management Expenses

crisis management expenses except as provided for in **Coverage C** above even if such insurance is afforded under **underlying insurance** or would have been afforded but for the exhaustion of the **underlying limits**.

3. Pollution

- a. any actual or alleged **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - i. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured** except that this subparagraph does not apply to:
 - (a) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**; or
 - (b) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - ii. at or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom the **Named Insured** may be legally responsible; or
 - iv. at or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:
 - (a) If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor; except that this subparagraph does not apply to **bodily injury** or **property damage** arising out of:
 - (1) the escape of fuels, lubricants, or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury** or **property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **Insured**, contractor or subcontractor; or
 - (2) heat, smoke or fumes from a **hostile fire**; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**;
 - v. that are, or that are contained in property that is:
 - (a) being transported or towed by, or handled for movement into, onto or from a covered **auto**;
 - (b) otherwise in the course of transit; or



CNA Paramount Excess and Umbrella Liability Policy

- (c) being stored, disposed of, treated or processed in or upon the covered **auto** except that this subparagraph does not apply to fuels, lubricants, fluids, exhaust, gases or other similar **Pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts if the **pollutants** escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**;
- vi. before the **pollutants** or property in which the **pollutants** are contained are moved from the place where they are accepted by the **Insured** for movement into or onto the covered **auto**;
or
- vii. after the **pollutants** or property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **Insured**.

Subparagraphs **vi.** and **vii.** do not apply if the **pollutants** or property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto** and the discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

- b. any actual or alleged **personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- c. any actual or alleged loss, cost or expense arising out of any:
 - i. request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

However, if liability for **damages** because of **property damage** is not excluded by paragraph **a.** of this exclusion, then neither will paragraph **c.** above serve to exclude such **damages**.

C. Coverage B - Umbrella Liability Exclusions

With respect to the **Coverage B - Umbrella Liability**, this Insurance does not apply to:

1. Aircraft, Auto, Watercraft or Mobile Equipment

any actual or alleged **bodily injury, property damage, personal and advertising injury** arising out of the ownership, maintenance, operation, use, **loading or unloading** or entrustment to others of any:

- a. **aircraft** owned by any **Insured** or rented, loaned or chartered by or on behalf of any **Insured** without crew; or
- b. **autos, watercraft or mobile equipment**

This exclusion applies even if such **claim** against an **Insured** alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**.

This exclusion does not apply to:

- i. watercraft while ashore on premises the **Named Insured** owns or rents;
- ii. watercraft the **Named Insured** does not own that is:
 - (a) less than 55 feet long; and
 - (b) not being used to carry persons or property for a charge; or



CNA Paramount Excess and Umbrella Liability Policy

- iii. liability assumed under any **insured contract** for the ownership, maintenance or use of watercraft.

2. Contractual Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury** for which an **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement other than an **insured contract**. This exclusion does not apply to liability that the **Insured** would have in the absence of such contract or agreement.

3. Damage to Property

any actual or alleged **property damage** to:

- a. property the **Named Insured** owns, rents, or occupies, including any costs or expenses incurred by the **Named Insured**, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. premises the **Named Insured** sells, gives away or abandons, if the **property damage** arises out of any part of those premises;
- c. property loaned to the **Named Insured**;
- d. personal property in the care, custody or control of the **Insured**;
- e. that particular part of real property on which the **Named Insured** or any contractors or subcontractors working directly or indirectly on its behalf are performing operations, if the **property damage** arises out of those operations; or
- f. that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph **b.** of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by the **Named Insured**.

Paragraphs **c., d., e.** and **f.** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **f.** of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

4. Damage to Your product

any actual or alleged **property damage** to **your product** arising out of it or any part of it.

5. Damage to Your work

any actual or alleged **property damage** to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**. This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the **Named Insured's** behalf by a subcontractor.

6. Employee Injury

any actual or alleged **bodily injury or personal and advertising injury** to:

- a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b. the **spouse**, child, parent, brother or sister of that **employee** as a consequence of **a.** above.



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This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **Insured** under an **insured contract**.

7. Expected or Intended injury

any actual or alleged **bodily injury** or **property damage** arising out of an act or omission:

- a. intended by an **Insured**; or
- b. that would be expected from the standpoint of a reasonable person in the circumstances of the **Insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. Fungi or Other Organic Pathogens

- a. any actual or alleged **bodily injury**, **property damage** or **personal and advertising injury** arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens**;
- b. any actual or alleged loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of **fungi or other organic pathogens** by any **Insured** or by anyone else; or
- c. any actual or alleged **property damage** caused by water where there also exists any **property damage** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense.

9. Liquor Liability

any actual or alleged **bodily injury** or **property damage** for which any **Insured** may be held liable by reason of:

- a. causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on the **Insured's** premises, for consumption on the **Insured's** premises;
- b. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the **claims** against any **Insured** allege negligence or other wrongdoing in:

- i. the supervision, hiring, employment, training or monitoring of others by that **Insured**; or



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- ii. providing or failing to provide transportation with respect to any person that may be under the influence of alcohol,

if the **occurrence** which caused the **bodily injury** or **property damage** involved that which is described in paragraph **a.**, **b.** or **c.** above.

10. Nonemployment Related Discrimination

any actual or alleged personal and advertising injury arising out of any actual or alleged nonemployment related discrimination committed intentionally against a person.

11. Personal and Advertising Injury

any actual or alleged **personal and advertising injury**:

a. Breach of Contract

arising out of breach of contract, except an implied contract to use another's advertising idea in the **Named Insured's advertisement**.

b. Criminal Acts or Conduct

arising out of any actual or alleged criminal act or omission committed by or at the direction of any **Insured**. This exclusion does not apply to the extent liability is imposed upon the **Insured** for acts or omissions of another committed without the knowledge or consent of the **Insured**.

c. Electronic Chat Rooms or Bulletin Boards

arising out of an electronic chat room or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

d. Infringement of Copyright, Patent, Trademark or Trade Secret

arising out of infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in the **Named Insured's advertisement**. However, this exclusion does not apply to infringement of copyright, trade dress or slogan in the **Named Insured's advertisement**.

e. Insureds in Media and Internet Type Businesses

committed by an **Insured** whose business is:

- i. advertising, broadcasting, publishing or telecasting;
- ii. designing or determining content or web-sites for others; or
- iii. an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraph **A.**, **B.** or **C.** of **personal and advertising injury** as defined in the section entitled Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for the **Named Insured** or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

f. Knowing Violation of Rights of Another

caused by an actual or alleged offense, act or omission by or at the direction of the **Insured** if the **Insured** knew or should have known that such offense, act or omission would cause such **personal and advertising injury**.



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g. Material Published Prior To Policy Period

arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

h. Material Published with Knowledge of Falsity

arising out of written publication in any manner of material, if the **Insured** knew or should have known the material was false.

i. Quality or Performance of Goods – Failure to Conform to Statements

arising out of any failure of goods, products or services to conform to any statement of quality or performance made in the **Named Insured's advertisement**.

j. Unauthorized Use of Another's Name or Product

arising out of unauthorized use of another's name or product in the **Named Insured's** e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

k. Wrong Description of Prices

arising out of the wrong description of the price of goods, products or services stated in the **Named Insured's advertisement**.

12. Pollution

- a** any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- b.** any actual or alleged loss, cost or expense arising out of any:
 - i.** request, demand, order, or statutory or regulatory requirement that anyone test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**; or
 - ii.** **claim** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants**.

13. Silica

- a.** any actual or alleged **bodily injury** arising, in whole or in part, out of the actual, alleged or threatened respiration or ingestion at any time of **silica**; or
- b.** any actual or alleged **property damage** arising in whole or in part out of the actual, alleged or threatened presence of **silica**.
- c.** any actual or alleged **personal and advertising injury** arising, in whole or in part, out of the actual, alleged or threatened:
 - i.** exposure at any time to; or
 - ii.** presence at any time of;**silica**.

14. Terrorism

any actual or alleged **bodily Injury, property damage or personal and advertising injury** arising out of any act of terrorism.



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D. Coverage D - Key Employee Exclusions

With respect to **Coverage D – Key Employee**, this insurance does not apply to any actual or alleged:

1. Death or Disability

death or permanent disability of a **key employee** relating to, or arising out of:

- a. nuclear reaction or radiation or radioactive contamination, however caused;
- b. sickness or disease, including mental illness or mental injury;
- c. pregnancy, childbirth, miscarriage or abortion;
- d. suicide, attempted suicide or self inflicted bodily injury, while sane or insane;
- e. the **key employee's** intoxication, impairment or otherwise being under the influence of alcohol or controlled substances;
- f. war, including undeclared or civil war;
- g. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- h. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Other Expenses

- a. expenses the **Named Insured** incurs which the **Named Insured** would not have incurred if the **Named Insured** had used all reasonable means to:
 - i. find a permanent replacement for the **key employee**; and
 - ii. reduce or discontinue the **key employee** replacement expense;
 as soon as possible after the **Named Insured's** permanent loss of the services of the **key employee** caused by a **covered accident**.
- b. additional expenses incurred due to the **Named Insured's** loss of the services of a permanent replacement appointed or hired to replace a **key employee**, however caused. However, this exclusion does not apply if the replacement employee is included in the definition as a **key employee** and the **Named Insured's** loss of the services of the replacement employee is caused by a **covered accident**.

IV. WHO IS AN INSURED

The following persons or organizations are **Insureds**.

A. With respect to **Coverage A - Excess Follow Form Liability**, the **Named Insured** and any persons or organizations included as an insured under the provisions of **underlying insurance** are **Insureds**, and then only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

B. With respect to the **Coverage B - Umbrella Liability**:

1. If the **Named Insured** is designated in the Declarations of this Policy as:

- a. an individual, the **Named Insured** and the **Named Insured's spouse** are **Insureds**, but only with respect to the conduct of a business of which the **Named Insured** is the sole owner.
- b. a partnership or joint venture, the **Named Insured** is an **Insured**. The **Named Insured's** members, the **Named Insured's** partners, and their **spouses** are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business.

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- c. a limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** members are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business. The **Named Insured's** managers are **Insureds**, but only with respect to their duties as the **Named Insured's** managers.
- d. an organization other than a partnership, joint venture or limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's executive officers** and directors are **Insureds**, but only with respect to their duties as the **Named Insured's** officers or directors. The **Named Insured's** stockholders are also **Insureds**, but only with respect to their liability as stockholders.
- e. a trust, the **Named Insured** is an **Insured**. The **Named Insured's** trustees are also **Insureds**, but only with respect to their duties as trustees.

2. Each of the following are also **Insureds**:

- a. The **Named Insured's volunteer workers** but only while performing duties related to the conduct of the **Named Insured's** business.
- b. The **Named Insured's employees**, other than either the **Named Insured's executive officers** (if the **Named Insured** is an organization other than a partnership, joint venture or limited liability company) or the **Named Insured's** managers (if the **Named Insured** is a limited liability company), but only for acts within the scope of their employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business.

However, none of these **employees** or **volunteer workers** are **Insureds** for:

i. **bodily injury or personal and advertising injury:**

- (a) to the **Named Insured**, to the **Named Insured's** partners or members (if the **Named Insured** is a partnership or joint venture), to the **Named Insured's** members (if the **Named Insured** is a limited liability company), to a co-employee while in the course of his or her employment or performing duties related to the conduct of the **Named Insured's** business, or to the **Named Insured's** other **volunteer workers** while performing duties related to the conduct of the **Named Insured's** business;
- (b) to the **spouse**, child, parent, brother or sister of that co-employee or **volunteer worker** as a consequence of paragraph (i)(a) above;
- (c) for which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraph i. (a) or (b) above; or
- (d) arising out of his or her providing or failing to provide professional health care services.

ii. **property damage** to property:

- (a) owned, occupied or used by;
- (b) rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

the **Named Insured**, any of the **Named Insured's employees, volunteer workers**, any partner or member (if the **Named Insured** is a partnership or joint venture), or any member (if the **Named Insured** is a limited liability company).

- C. With respect to the **Coverage C - Crisis Event Management** and the **Coverage D - Key Employee**, the **Named Insured** is the **Insured**.

V. LIMITS OF INSURANCE

A. Multiple Insureds, claims, claimants

The limits of insurance shown in the Declarations of this Policy and the rules below fix the most the

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Insurer will pay regardless of the number of:

1. **Insureds**;
2. **claims** made or brought against the **Insured**;
3. persons or organizations making **claims** or bringing **claims**; and
4. coverages under this Policy.

B. Aggregate Limit

Subject to the paragraphs **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate limit is the most that the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for:

1. **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated; and
2. **damages** covered under the **products-completed operations hazard**.

The limits of insurance shown in the Declarations of this Policy apply to the entire **policy period**, regardless of length.

In addition, with respect to **Coverage A – Excess Follow Form Liability** only, the Aggregate limit shown in the Declarations of this Policy shall be applied in the same manner as the applicable Aggregate limits in the Schedule of **underlying insurance**.

C. Aggregate Products-Completed Operations Hazard

Subject to paragraph **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate Products-Completed Operations Hazard limit is the most that the Insurer will pay as **damages** arising out of the **products-completed operations hazard**, regardless of whether such **damages** are or otherwise would be covered in any way under more than one coverage.

D. Policy Aggregate Limit

This provision **D.** only applies if an amount is shown in the Declarations as the Policy Aggregate Limit.

Subject to the Each **Incident** limit, Aggregate limit and Aggregate **products-completed operations hazard** limit, the Policy Aggregate limit is the most the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated.

E. Each Incident

Subject to paragraphs **B.**, **C.** and **D.** above, the limit of insurance shown in the Declarations of this Policy as the Each **Incident** limit is the most the Insurer will pay for the sum of all **damages** arising out of any one **incident** under this Policy, regardless of which coverage applies.

F. Crisis Management

Solely with respect to **Coverage C – Crisis Management Expenses**, the most the Insurer will pay is the limit of insurance shown on the Declarations of this Policy as the **Crisis Management Expenses** Aggregate limit, regardless of the number **crisis management events** for which **crisis management expenses** are incurred. **Crisis management expenses** are not subject to the **retained amount**.

The **Crisis Management Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Crisis Management Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

G. Key Employee Replacement Expenses

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Solely with respect to **Coverage D – Key Employee**, the most the Insurer will pay for **key employee replacement expenses** is the **Key Employee** Aggregate limit shown on the Declarations of this Policy, regardless of the number **key employees** for which **key employee replacement expenses** are incurred. **Key employee replacement expenses** are not subject to the **retained amount**.

The **Key Employee Replacement Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Key Employee Replacement Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

H. Defense Costs

Defense costs are either paid within or are in excess of the limits of insurance as set forth in paragraph **C.** of the section entitled **Defense Costs Payment and Related Duties**.

I. Exhaustion or Reduction of Applicable Underlying Limit

Solely with respect to **Coverage A - Excess Follow Form Liability**, if the applicable **underlying limits** are:

1. reduced solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) **Coverage A** will apply in excess of the remaining amount of such applicable **underlying limit**; or
2. exhausted, solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) then **Coverage A** will apply, subject to this Policy's limit of insurance provision and to the remaining terms and provisions and conditions of this Policy in place of such exhausted applicable **underlying limit**.

If any loss covered under any **underlying insurance** is subject to a **sub-limit** (whether or not such **sub-limit** erodes the limits generally available to all claims), then the **underlying limits** shall not be deemed depleted by payment of any such **sub-limits**.

Nothing herein shall serve to increase the limits of insurance shown in the Declarations of this Policy.

VI. CONDITIONS

A. Appeals

If the **Named Insured** or its **underlying insurers** elect not to appeal a judgment in excess of the limits of insurance afforded by the **underlying insurance** the Insurer may elect to appeal at the Insurer's expense. The Insurer's limits of insurance shall not be increased because of such appeal. However, the Insurer will pay the following costs and expenses:

1. all premium bonds to release attachments for an amount not in excess of the applicable limit of insurance of this policy;
2. all premiums on appeal bonds required in such defended **claims**, but without obligation to apply for or furnish such bonds;
3. court fees; and
4. costs and expenses taxed against the **Named Insured** by the appellate court and interest accruing after entry of a judgment against the **Named Insured** and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance of this Policy. Where the **underlying insurers** terminate their liability to pay interest on the judgment by an offer to pay their limits, the **Named Insured** shall demand that such limits be paid. If the appeal is successful, such amounts not obligated to be paid shall be returned to such **underlying insurer**.

B. Cancellation and Nonrenewal

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The Cancellation/Nonrenewal provisions are as set forth in the Cancellation/Nonrenewal Endorsement attached to this Policy.

C. Changes to the Policy

Notice to any of the Insurer's agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy, nor will such notice prevent the Insurer from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued by the Insurer to form a part of this Policy.

D. Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by the Insurer would have led to refusal by the Insurer to make this contract or provide coverage, or to make this contract or provide coverage on different terms or conditions, will be deemed material.

E. Duties of the First Named Insured on the Declarations of this Policy

The **First Named Insured**, on behalf of all others, will be:

1. authorized to make changes in the terms of this Policy with the consent of the Insurer;
2. the payee of any premiums the Insurer refunds;
3. responsible for:
 - a. remitting the payment of all premiums due, but all **Named Insureds** jointly and severally agree to make such payments in full if the **First Named Insured** fails to pay the amount due within 10 days after the Insurer give written notice or demand;
 - b. keeping records of the information the Insurer requires for premium computation, and sending copies of such records at such times as requested by the Insurer;
 - c. notifying the Insurer that the **First Named Insured** on behalf of all others wants to cancel this Policy; and
 - d. providing any notice required under this Policy.

F. Economic and Trade Sanctions

This Policy does not provide coverage for an **Insured**, transaction or that part of loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

G. Entire Contract

By acceptance of this Policy, the **Insureds** agree that this Policy, including all endorsements to this Policy, constitute the entire contract existing between the parties relating to this insurance.

H. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or spouse outside the scope of such person's capacity or status as such provided however that this sentence does not apply to the spouse of:

1. a sole proprietorship **Named Insured**; or



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2. members or partners of joint venture or partnership **Named Insureds**.

Examination of the **Named Insured's Books and Records**

The Insurer may examine and audit the **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

J. Financial Impairment

Bankruptcy, rehabilitation, receivership, liquidation or other financial impairment of the **Named Insured** or an **underlying insurer** shall neither relieve nor increase any of the Insurer's obligations under this Policy.

In the event there is diminished recovery or no recovery available to the **Named Insured** as a result of financial impairment of an **underlying insurer**, the coverage under this Policy shall apply only in excess of the **underlying limits**. Under no circumstances shall the Insurer be required to drop down and replace the **underlying limits**, or assume the obligations of the **Named Insured** or the financially impaired insurer.

K. Headings

The description in the headings and subheadings of this Policy is solely for convenience, and forms no part of the terms and conditions of coverage.

L. Inspections and Surveys

The Insurer has the right but is not obligated to:

1. make inspections and surveys at any time;
2. give the **Named Insured** reports on the conditions it finds;
3. recommend changes; or
4. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

1. make safety inspections;
2. undertake to perform the duty of any organization to provide for the health or safety of workers or the public; nor
3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

This provision applies not only to the Insurer, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, recommendations, reports, or gives loss control or prevention advice, on its behalf.

M. Legal Action Limitation

No person or organization has a right under this Policy:

1. to join the Insurer as a party or otherwise bring the Insurer into a **suit** asking for **damages** from an **Insured**; or
2. to sue Insurer on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an **Insured**; but the Insurer will not be liable for **damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An "agreed settlement" means a settlement and release of liability signed by the Insurer, the **Insured** and the claimant or the claimant's legal representative.



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N. Maintenance of Underlying Insurance

Solely with respect to **Coverage A - Excess Follow Form Liability**, while this Policy is in force the **First Named Insured** agrees that the **underlying insurance** and renewals and replacements thereof shall be maintained, without alterations of terms or conditions, in full effect during the term of this Policy; except for reduction or exhaustion of the limits of insurance in the **underlying insurance**, provided that such reduction or exhaustion is solely the result of **incidents** covered under this Policy.

If the **First Named Insured** fails to maintain **underlying insurance**, this condition shall not invalidate this Policy. However, in the event of such failure, the Insurer will only be liable to the same extent as if such **underlying insurance** was in full force and effect without alteration of its terms and conditions.

O. Notice of Claims/Crisis Management Event/Covered Accident

1. Solely with respect to **Coverage A - Excess Follow Form Liability**, if any **underlying insurance** is a policy issued by the Insurer or any of its affiliates, then notice of any **claim** under such **underlying insurance** is notice to the Insurer under this Policy.
2. It is a condition precedent to coverage under this Policy that:
 - a. subject to paragraph **b.** below, the **Insured** notify the Insurer as soon as practicable of an **incident** which an **Insured** believes may result in a **claim**. To the extent possible, notice should include:
 - i. how, when and where the **incident** took place;
 - ii. the names and addresses of any injured persons and witnesses; and
 - iii. the nature and location of any injury or damage arising out of the **incident**.
 - b. the **Insured** notify the Insurer as soon as practicable of an **incident** if it involves:
 - i. a demand against the **Insured** which exceeds 50% of any remaining applicable **underlying limit**;
 - ii. any **underlying insurance** reserve or monetary exposure exceeding \$500,000; or
 - iii. any of the following:
 - (a) brain damage, including but not limited to any neurological impairment of infants or adults and coma;
 - (b) spinal cord injury, including but not limited to paraplegia or quadriplegia;
 - (c) loss of any organ;
 - (d) severe disfigurement, including but not limited to burns and amputations; or
 - (e) death.
 - c. if a **claim** is made against any **Insured**, the **Named Insured**:
 - i. will immediately record the specifics of the **claim** and the date received and notify the Insurer of such **claim**;
 - ii. will immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
 - iii. will authorize the Insurer to obtain records and other information;
 - iv. will cooperate with the Insurer in the investigation or settlement of the **claim** or defense against the **suit**;

will assist the Insurer, upon its request, in the enforcement of any right against any person



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or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply; and

- vi. will not voluntarily make a payment, except at its own cost, assume any obligation, or incur any expense, other than for first aid, without the Insurer's prior consent.

3. Cooperation

With respect to both **Coverage A - Excess Follow Form Liability** and **Coverage B – Umbrella Liability**, the **Named Insured** will cooperate with the Insurer in addressing all **claims** required to be reported to the Insurer in accordance with this paragraph **O. Notice of Claims/Crisis Management Event/Covered Accident**, and refuse, except solely at its own cost, to voluntarily, without the Insurer's approval, make any payment, admit liability, assume any obligation or incur any expense related thereto.

P. Notices

Any notices required to be given by an **Insured** shall be submitted in writing to the Insurer at the address set forth in the Declarations of this Policy.

Q. Other Insurance

If the **Insured** is entitled to be indemnified or otherwise insured in whole or in part for any **damages or defense costs** by any valid and collectible **other insurance** for which the **Insured** otherwise would have been indemnified or otherwise insured in whole or in part by this Policy, the limits of insurance specified in the Declarations of this Policy shall apply in excess of, and shall not contribute to a **claim, incident** or such event covered by such **other insurance**.

With respect to **Coverage A – Excess Follow Form Liability** only, if:

- a. the **Named Insured** has agreed in writing in a contract or agreement with a person or entity that this insurance would be primary and would not seek contribution from any other insurance available;
- b. **Underlying Insurance** includes that person or entity as an additional insured; and
- c. **Underlying Insurance** provides coverage on a primary and noncontributory basis as respects that person or entity;

then this insurance is primary to and will not seek contribution from any insurance policy where that person or entity is a named insured.

R. Premium

All premium charges under this Policy will be computed according to the Insurer's rules and rating plans that apply at the inception of the current **policy period**. Premium charges may be paid to the Insurer or its authorized representative.

S. In Rem Actions

A quasi *in rem* action against any vessel owned or operated by or for a **Named Insured**, or chartered by or for a **Named Insured**, will be treated in the same manner as though the action were *in personam* against the **Named Insured**.

T. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Policy to the **First Named Insured**, this insurance applies:

- 1. as if each **Named Insured** were the only **Named Insured**; and
- 2. separately to each **Insured** against whom a **claim** is made.

U. Transfer of Interest

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Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

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Assignment of interest under this policy shall not bind the Insurer unless its consent is endorsed hereon.

V. Unintentional Omission

Based on Insurer's reliance on the **Named Insured's** representations as to existing hazards, if the **Named Insured** should unintentionally fail to disclose all such hazards at the effective date of this Policy, the Insurer will not deny coverage under this Policy because of such failure.

W. Waiver of Rights of Recovery

The Insurer waives any right of recovery it may have against any person or organization because of payments the Insurer makes under this Policy if the **Named Insured** has agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. is in effect or becomes effective during the **policy period**; and
2. was executed prior to loss.

VII. DEFINITIONS

For purposes of this Policy, words in bold face type, whether expressed in the singular or the plural, have the meaning set forth below.

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the **Named Insured's** goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- A. notices that are published include material placed on the Internet or on similar electronic means of communication; and
- B. regarding web-sites, only that part of a web-site that is about the **Named Insured's** goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.

Aircraft means any machine or device that is capable of atmospheric flight.

Arbitration proceeding means a formal alternative dispute resolution proceeding or administrative hearing to which an **Insured** is required to submit by statute or court rule or to which an **Insured** has submitted with the Insurer's consent.

Asbestos means the mineral in any form whether or not the asbestos was at any time airborne as a fiber, particle or dust, contained in or formed a part of a product, structure or other real or personal property, carried on clothing, inhaled or ingested, or transmitted by any other means.

Authorized Insured means any **executive officer**, member of the **Named Insured's** risk management or in-house general counsel's office, or any **employee** authorized by the **Named Insured** to give or receive notice of a **claim**.

Auto means:

- A. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- B. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, **auto** does not include **mobile equipment**.

Bodily injury means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the bodily injury, sickness or disease.

Claim means a:

- A. **suit**; or



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B. written or oral demand for **damages** alleging injury to which this insurance applies.

Coverage territory means:

- A. the United States of America (including its territories and possessions), Puerto Rico and Canada;
- B. international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph **A.** above; or
- C. all other parts of the world if the injury or damage arises out of:
 - 1. goods or products made or sold by the **Named Insured** in the territory described in paragraph **A.** above;
 - 2. the activities of a natural person whose home is in the territory described in paragraph **A.** above, but is away for a short time on the **Named Insured's** business; or
 - 3. an offense that take place through the Internet or similar electronic means of communication, provided that the **Insured's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in paragraph **A.** above or in a settlement the Insurer agrees to.

Covered accident means a sudden and unexpected event, which solely and independently of any other cause results in the **key employee's** death or **permanent disability** within one year after the date of the sudden event.

Crisis management event means an event that an **executive officer** reasonably believes has resulted or may result in significant adverse regional or national media coverage and a claim for:

- A. **bodily injury, property damage** or any of the following **personal and advertising injury** offenses:
 - 1. false arrest, detention or imprisonment;
 - 2. malicious prosecution or abuse of process; or
 - 3. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor; and
- B. **damages** to which this insurance applies, that are in excess of any applicable:
 - 1. **underlying limits**; or
 - 2. **retained amount**.

Crisis management expenses means **crisis management public relations expenses** and **crisis management other expenses** provided however **crisis management expenses** do not include any of the following:

- A. salary, wages, or benefits of the **Named Insured** or the **Named Insured's employees**;
- B. loss of business income;
- C. costs to acquire, repair or replace real or personal property; or
- D. expense to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by a **Named Insured**.

Crisis management public relations expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to hire a **crisis management firm**;
 - B. to set up call centers or similar inquiry management system to manage inquiries from, or to directly contact, individuals or entities that may be directly impacted by such **crisis management event**;
- to create and deliver notification letters to contact individuals or entities that may be directly impacted



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by the **crisis management event**; or

- D. other related miscellaneous expenses.

Crisis management other expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to pay medical expenses, funeral expenses, psychological counseling expenses, travel expenses, and temporary living expenses of a third party who incurs **bodily injury**, or a family member of such third party, by reason of such **crisis management event**;
- B. for travel expenses incurred by or on behalf of **Insureds** and at the direction of the **crisis management firm**;
- C. to secure the scene of a **crisis management event**; and
- D. other related miscellaneous expenses.

Crisis management firm means a public relations firm, law firm or crisis management firm approved by the Insurer to provide media management services and to respond to actual or anticipated adverse publicity arising out of a **crisis management event** or **covered accident**.

Damages means the amount an **Insured** is legally obligated to pay, either through:

- A. final adjudication of a **claim**; or
- B. through compromise or settlement of a **claim** with the Insurer's written consent or direction, because of covered **incidents**. In addition, **damages** includes the above-mentioned sums only after deducting all other recoveries and salvages.

However, **damages** does not include:

- 1. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
- 2. injunctive or declaratory relief;
- 3. any amount that is not insurable under any applicable law; or
- 4. plaintiff's attorney fees associated with any of the above.

Notwithstanding paragraph 3. above, **damages** shall include (subject always to this Policy's other terms, conditions and limitations) punitive and exemplary damages the enforceability of which shall be governed by such applicable law that most favors coverage for **damages**.

Defense costs mean:

- A. reasonable and necessary fees, costs, and expenses incurred by the Insurer or consented to by the Insurer and incurred by the **Named Insured** in the defense or appeal of a covered **suit** or in the investigation of any covered **claim**, and includes premium for appeal bonds arising out of a covered judgment, attachment bonds or similar bonds, but only for bond amounts up to the applicable limit of insurance. In addition, the Insurer will pay up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which **bodily injury** coverage applies. The Insurer has no obligation to provide such bonds.

- B. prejudgment interest awarded against an **Insured** on that part of a judgment covered by this policy. If the Insurer makes an offer to pay the applicable limit of insurance, the Insurer will not pay any prejudgment interest based on that period of time after the offer.

- C. post judgment interest which accrues after entry of judgment, but before the Insurer has paid or offered to pay, or deposited in court that part of the judgment which is within the limit of insurance of this Policy. The amount of interest the Insurer pays will be in direct proportion to the amount of **damages**



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the Insurer pays in relation to the total amount of the judgment.

- D. all reasonable expenses incurred by a natural person **Insured** at the Insurer's request to assist the Insurer in the investigation or defense of the **claim**. This includes such **Insured's** actual loss of earnings up to \$750 per day, because of time off from work.
- E. all court costs taxed against the **Insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.

Electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Employee includes **leased workers** or employees loaned to the **Insured**. **Temporary workers** are not **employees**.

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

- A. director, officer, trustee or governor of a corporation;
- B. management committee member of a joint venture;
- C. partner of a partnership;
- D. manager of a limited liability company; and
- E. trustee of a trust.

An **executive officer** is not an **employee**.

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations of this Policy.

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. However, **fungi** does not include any fungi intended by the **Insured** for human consumption.

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Impaired property means tangible property, other than **your product** or **your work** that cannot be used or is less useful because:

- A. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- B. the **Named Insured** has failed to fulfill the terms of a contract or agreement, if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work**; or the **Named Insured's** fulfilling the terms of the contract or agreement.

Incident means:

- A. with respect to **Coverage A - Excess Follow Form Liability**, a covered event as defined in applicable **underlying insurance**;
- B. solely with respect to **Coverage B - Umbrella Liability**:
 - 1. with respect to **bodily injury** and **property damage**, **incident** means an **occurrence**; or
- C. 2. with respect to **personal and advertising injury**, **incident** means an offense that gives rise to such **personal and advertising injury**.



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Insured means any person or organization set forth in the section entitled **WHO IS AN INSURED**.

Insured contract means:

- A. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner is not an **insured contract**;
- B. a sidetrack agreement;
- C. an easement or license agreement; except in connection with construction or demolition operations on or within 50 feet of a railroad;
- D. an obligation, as required by ordinance, to indemnify a municipality except in connection with work for a municipality;
- E. an elevator maintenance agreement; or
- F. the part of any other contract or agreement pertaining to its business (including an indemnification of a municipality in connection with work performed for a municipality) under which the **Named Insured** assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization, provided the **bodily injury** or **property damage** is caused, in whole or in part, by the **Named Insured** or by those acting on its behalf. However, such part of a contract or agreement shall only be considered an **insured contract** to the extent the **Named Insured's** assumption of the tort liability is permitted by law. "Tort liability" means liability that would be imposed by law in the absence of contracts or agreements. This paragraph F. does not include that part of a contract or agreement:
 - 1. that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - 2. that indemnifies an architect, engineer or surveyor for **bodily injury** or **property damage** arising out of:
 - a preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b giving directions or instructions, or failing to give them, if that is the primary cause of the **bodily injury** or **property damage**;
 - 3 under which an **Insured**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of such **Insured's** rendering or failure to render professional services, including those listed in paragraph 2. above and supervisory, inspection, architectural or engineering activities; or
 - 4. that indemnifies a person or organization for damage by fire to premises rented to or loaned to an **Insured**.

Key employee means any of the following officer and employment positions:

- A. Chief Executive Officer;
- B. Chief Operating Officer;
- C. Chief Financial Officer;
- D. Corporate Secretary;
- E. Treasurer;
- F. Executive Vice President; and

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Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

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G. Risk Manager

Key employee also means anyone added as such by endorsement to the Policy.

Key employee replacement expenses means the actual and necessary expenses incurred by the **Named Insured**:

- A. to continue the performance of the **key employee's** normal job responsibilities, with comparable quality, while a permanent replacement for the **key employee** is being sought, appointed or hired, and trained.
- B. to find a qualified permanent replacement to fill the **key employee's** position:
 - 1. costs of advertising the employment position opening;
 - 2. travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 - 3. miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the job applicants and legal expenses incurred to draw up employment contracts.
- C. to minimize the amount of **key employee replacement expenses**, but only to the extent the amount of **key employee replacement expenses** otherwise payable under paragraphs 1. and 2. above are reduced.
- D. to relocate the replacement employee to an area within a reasonable commute from their place of employment.
- E. to pay the following reasonable and necessary expenses incurred in connection with the death or permanent disability of any **key employee**:
 - 1. to hire a **crisis management firm**.
 - 2. to create and deliver notification letters to contact individuals or entities that may be directly impacted by the **key employee covered accident**; or
 - 3. other related miscellaneous expenses
- F. **Key employee replacement expenses** also include first year amounts of the replacement employee's:
 - 1. annual base starting salary;
 - 2. employee perquisite costs; and
 - 3. employee benefit costs;

in excess of the amounts which would have been incurred for the **key employee** if the **Named Insured** had not lost the services of the **key employee**. However, the Insurer will not pay more for these expenses than 10% of the amounts which would have been incurred for the **key employee**.

Key employee replacement expenses do not include the following:

- a. any expenses which would have been incurred by the **Named Insured** for the **key employee** if the **Named Insured** had not lost the services of the **key employee**;
- b. any **key employee replacement expenses** that are paid for by any **other insurance**;
- c. except as provided in paragraph F. above, salary, wages, or benefits of the **Named Insured**, the **Named Insured's employees**, the **Named Insured's** temporary workers or **volunteer workers**;
- d. costs to acquire, repair or replace real or personal property;
- e. the **Named Insured's** loss of business income;
- f. expenses incurred by or on behalf of the **Named Insured** to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by the **Named Insured**; and



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- g. expenses incurred by or on behalf of the **Named Insured** due to **bodily injury, property damage, or personal and advertising injury**.

Leased worker means a person leased to the **Named Insured** by a labor leasing firm under an agreement between the **Named Insured** and such labor leasing firm, to perform duties related to the conduct of the **Named Insured's** business. **Leased worker** does not include a **temporary worker**.

Loading or unloading means the handling of property:

- A. after it is moved from the place where it is accepted for movement into or onto an **aircraft, watercraft or auto**;
- B. while it is in or on an **aircraft, watercraft or auto**; or
- C. while it is being moved from an **aircraft, watercraft or auto** to the place where it is finally delivered.

However, **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **aircraft, watercraft or auto**.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- A. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- B. vehicles maintained for use solely on or next to premises the **Named Insured** owns or rents;
- C. vehicles that travel on crawler treads;
- D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1. power cranes, shovels, loaders, diggers or drills; or
 - 2. road construction or resurfacing equipment such as graders, scrapers or rollers;
- E. vehicles not described in **A., B., C. or D.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - 2. cherry pickers and similar devices used to raise or lower workers; and
- F. vehicles not described in **A., B., C. or D.** above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - 1. equipment designed primarily for:
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing; or
 - c. street cleaning;
 - 2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - 3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, **mobile equipment** does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are



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considered **autos**.

Named Insured means the persons or organizations named as such in the Declarations of this Policy.

Nuclear facility means:

- A. any **nuclear reactor**;
- B. any equipment or device designed or used for:
 - 1. separating the isotopes of uranium or plutonium;
 - 2. processing or utilizing **spent fuel**; or
 - 3. handling, processing or packaging **nuclear waste**;
- C. any equipment or device used for the processing, fabricating or alloying of special **nuclear material** if at any time the total amount of such material in the custody of any **Insured** at the premises where such equipment is located consists of or contains more than:
 - 1. 25 grams of plutonium or uranium 233 or any combination thereof; or
 - 2. 250 grams of uranium 235; and
- D. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear material means source material, special nuclear material, or by-product material as these terms are defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear reactor means an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Waste means waste material:

- A. containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material (as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof) content; and
- B. resulting from the operation by any person or organization, of a **nuclear facility** included within paragraphs **A.** and **B.** of the definition of **nuclear facility**.

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Other insurance means any:

- A. valid and collectible policy of insurance;
- B. self insurance; or
- C. indemnity agreement by which an **Insured** arranges for funding or transferring its liabilities

that provides coverage that this Policy also provides. **Other insurance** does not include **underlying insurance** or any policy that was bought specifically to apply in excess of the limits of insurance shown in the Declarations of this Policy.

Other organic pathogens means any organic irritant or contaminant other than **fungi**, including but not limited to bacteria, microbes and viruses (whether or not a microorganism), that cause infection and disease.

Other organic pathogens includes any spores, mycotoxins, odors, variants, mutations, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of such



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pathogens, and any colony or group of the foregoing.

However, **other organic pathogens** does not mean pathogens that were transmitted directly from person to person.

Permanent disability means permanent physical inability, or mental inability due to a permanent physical inability, of the **key employee** to perform the normal duties of the applicable position for which the individual qualifies as a **key employee**.

Personal and advertising injury means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution or abuse of process;
- C. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor;
- D. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E. oral or written publication, in any manner, of material that violates a person's right of privacy;
- F. the use of another's advertising idea in the **Named Insured's advertisement**; or
- G. infringing upon another's copyright, trade dress or slogan in the **Named Insured's advertisement**.

Policy period means the time from 12.01 A.M. on the effective date of this Policy as set forth in the Declarations of this Policy to the earlier of 12.01 A.M. of the expiration, termination or cancellation date of this Policy.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes medical waste and materials to be recycled, reconditioned or reclaimed.

Products-completed operations hazard means **bodily injury** or **property damage** occurring away from premises the **Named Insured** owns or rents and arising out of **your product** or **your work** except:

- A. products that are still in the **Named Insured's** physical possession; or
- B. work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 1. when all of the work called for in the **Named Insured's** contract has been completed;
 2. when all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or
 3. when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

However, **products-completed operations hazard** does not include **bodily injury** or **property damage** arising out of:

- A. the transportation of property, unless **bodily injury** or **property damage** arises out of a condition in or on a vehicle not owned or operated by the **Named Insured**, and that condition was created by the **loading or unloading** of that vehicle by any **Insured**;
- B. the existence of tools, uninstalled equipment or abandoned or unused materials; or



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- C. products or operations for which the **underlying insurer** states that products-completed operations are subject to the General Aggregate Limit.

Property damage means:

- A. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **incident** that caused it.

However, **electronic data** is not tangible property.

Retained amount means the self insured retention as set forth on the Declarations of this Policy or the amount payable by **other insurance**, whichever is greater.

Silica means the chemical compound silicon dioxide (SiO₂) in any form, including dust which contains silicon dioxide.

Spouse means any husband, wife or partner in a marriage or civil union or any person qualifying as a domestic partner under any federal, state or local laws or under the **Named Insured's** employee benefit plans or employee benefits program.

Sub limit means a limit that is lower than the **underlying limits**.

Suit means a civil proceeding in which **damages** because of injury or damage to which this insurance applies are alleged, including:

- A. an **arbitration proceeding** alleging such **damages**; or
- B. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with the Insurer's consent.

Temporary worker means a worker who is furnished to the **Named Insured** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Underlying insurance means policies of insurance listed in the Schedule of **Underlying Insurance** including renewal or replacement of such insurance which is neither more restrictive nor more broad than that listed in the aforementioned Schedule of **Underlying Insurance**.

Underlying insurer means the insurer providing the **underlying insurance**. It does not include any insurer whose policies were purchased specifically to be in excess of this policy.

Underlying limits means the limits of insurance as set forth in the Schedule of **Underlying Insurance**.

Volunteer worker means a person who is not an **employee** and who donates his or her work and acts at the direction of or within the scope of duties determined by the **Named Insured** and is not paid a fee, salary or other compensation by the **Named Insured** or anyone else for their work performed for the **Insured**.

Your product means:

- A. means:
 - 1. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. the **Named Insured**;
 - b. others trading under the **Named Insured's** name; or
 - c. a person or organization whose business or assets the **Named Insured** has acquired; and
 - 2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.



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B. includes:

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
2. The providing of or failure to provide warnings or instructions.

C. does not include vending machines or other property rented to or located for the use of others but not sold.

Your work:

A. means:

1. work or operations performed by the **Named Insured** or on its behalf; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. Includes:

1. warranties or representations made with respect to the fitness, quality, durability, performance or use of **your work**, and
2. the providing of or failure to provide warnings or instructions.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by the Insurer's Chairman and Secretary, but this Policy shall not be binding upon the Insurer unless completed by the attachment of the Declarations of this Policy and signed by the Insurer's duly authorized representative if required.

A handwritten signature in black ink, appearing to be "D. M. M.", written over a horizontal line.

Chairman of the Board

A handwritten signature in black ink, appearing to be "S. T. B.", written over a horizontal line.

Secretary



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

CANCELLATION AND NON-RENEWAL ENDORSEMENT – NEW JERSEY

Wherever used in this endorsement: 1) Insurer means “we”, “us”, “our” or the “Company” as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) “Insureds” means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL

I. CANCELLATION

- A. The first Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
- B. The Insurer may cancel the policy at any time and for any reason within the first sixty (60) days. The Insurer will mail or deliver written notice of cancellation at least ten (10) days prior to the effective of such cancellation if cancellation is for nonpayment or existence of a moral hazard as defined by NJAC 11:1-20.2(f) and thirty (30) days if for any other reason.
- C. If the policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:
 1. May be canceled for any underwriting reason set forth in our underwriting guidelines which were in effect at the policy inception. The underwriting guidelines must not be arbitrary, capricious or unfairly discriminatory.
 2. The following text sets forth certain approved reasons for midterm cancellations as approved guidelines. While an Insurer may issue other guidelines, it appears that an Insurer should limit its guidelines for midterm cancellation to those the Department has approved to avoid the possibility that the Department might rescind a cancellation.
 3. All underwriting reasons or guidelines utilized by the Insurer to cancel or non-renew the policy will be maintained by Insurer in writing and will be available to the Named insured or the Named Insured’s lawful representatives upon written request.
 4. Only those guidelines which are in effect at the inception of the original policy or any renewal thereof, as applicable, may be utilized to cancel during the policy period.
 5. The following guidelines are approved for use:
 - a. Non-payment of premium;
 - b. Moral hazard, which is defined as:
 - i. The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a “moral hazard;” and
 - ii. The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability which we will be held responsible. Any change in the character or circumstances of an individual, corporate,

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement No: 1; Page: 1 of 3

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 45 of 54



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

partnership or other insured that will increase probability of such a loss or liability may be considered a "moral hazard."

- c. Material misrepresentation or non-disclosure of material fact.
- d. Increased hazard or material change in the risk by the parties at inception of coverage.
- e. Substantial breaches of policy provisions that materially affect the nature and/or insurability of the risk.
- f. Lack of cooperation on loss control matters which materially affect insurability.
- g. Fraudulent acts which materially affects the risk.
- h. Loss of or reduction in available insurance capacity. This is an acceptable reason for cancellation only if the following exists:
 - i. an insurance department has declared insured to be financially impaired.
 - ii. substantial reductions in reinsurance or other changes which prohibit us from providing coverage at the same limits and terms as the existing policy; or
 - iii. an insurance department has issued an order indicating impaired financial condition of the reinsurer which may adversely affect the reinsurer's ability to meet its obligations.
- i. Failure of the Insured to comply with any federal, state or local fire, health, safety, building or construction regulation, law or ordinance which substantially increases any hazard insured against. The Insured has sixty (60) days to correct.
- j. Failure by the Insured to provide reasonable and necessary underwriting information to us upon written request and a reasonable time to respond.
- k. Agency termination, provided:
 - i. It is documented that replacement coverage at comparable rates and terms has been provided to the Insured, and the Insured has been informed, in writing of his or her right to continue coverage; or
 - ii. the Insured has agreed in writing to the cancellation based upon the termination of the agent.

The Insurer will mail notice of cancellation to the Named Insured not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, notice of cancellation will be mailed at least ten (10) days prior to the effective date of such cancellation.

- D. All notices of cancellation will state the reason for cancellation.
- E. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 1; Page: 2 of 3

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

III. NON-RENEWAL

- A.** The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured, at the last mailing address known to the Insurer, not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of non-renewal. The notice will be sent by certified mail or by first class mail, if a date stamped proof of mailing has been obtained from the post office.
- B.** Like notice of non-renewal will state the actual reason for non-renewal.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 1; Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 47 of 54



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

is amended by the addition of the following new exclusion:

Professional Services

any liability arising out of the actual or alleged rendering of, or failure to render, any professional services by the **Insured** or any other person for whose acts the **Insured** is legally responsible.

- II. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS** is amended by the addition of the exclusion set forth in paragraph I. above, except that the bolded word “**Insured**” is deleted in its entirety and replaced with “insured.”

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75518XX (03-2015)

Endorsement Effective Date:

Endorsement No: 2; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 48 of 54



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that the section entitled **EXCLUSIONS** is amended as follows:

- A.** The subsection entitled **Coverage B – Umbrella Liability Coverage Exclusions**, the exclusion entitled **Employee Injury** is deleted in its entirety; and
- B.** The subsection entitled **Coverage A Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions** is amended by the addition of the following new exclusion:

Employee Injury

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a.** an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b.** the **spouse**, child, parent, brother or sister of that **employee** as a consequence of **a.** above.

This exclusion applies:

- i.** whether an **Insured** may be liable as an employer or in any other capacity; and
- ii.** to any obligation to share damages with or repay someone else who must pay damages because of the injury.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75576XX (03-2015)

Endorsement Effective Date:

Endorsement No: 3; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 49 of 54



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

NAMED INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under the section entitled **WHO IS AN INSURED**; or,
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under the section entitled **WHO IS AN INSURED**;

The following persons or organizations are **Named Insured**:

SCHEDULE

Named Insured

SOILS ENGINEERING SERVICES, INC.

SOILS ENGINEERING SERVICES, INC TA SESI CONSULTING ENGINEERS

SESI CONSULTING ENGINEERS D.P.C.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75597XX (03-2015)

Endorsement Effective Date:

Endorsement No: 4; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 50 of 54



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed as follows:

If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage B – Umbrella Liability Coverage Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**,

it is amended with the addition of the following new exclusion:

Underlying Insurance Coverage Limitation

Notwithstanding anything to the contrary, this policy does not provide broader coverage than that which is provided by any **underlying insurance**.

In the event of any difference between:

- a. exclusions, restrictions, limiting terms or conditions in this policy and
 - b. exclusions, restrictions, limiting terms or conditions in the **underlying insurance**;
- addressing the same general risk or hazard, then the more restrictive provision shall apply.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76492XX (03-2015)

Endorsement Effective Date:

Endorsement No: 5; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT – NEW JERSEY

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability Exclusions** and the section entitled **Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

the exclusion entitled **Pollution** is amended by the addition of the following:

For premises constructed on or after 1978, or premises constructed prior to 1978 which have been certified, prior to the **policy period**, as being free of existing lead hazards pursuant to standards established by the Department of Community Affairs, this exclusion does not apply to **bodily injury** arising out of lead contamination, or out of the inhalation, ingestion, use, handling or contact with lead paint at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**.

This provision will also apply to any premises constructed prior to 1978 which receives such certification during the **policy period**, but only for **bodily injury** which occurs after such certification.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76597NJ (03-2015)

Endorsement Effective Date:

Endorsement No: 6; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 52 of 54



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

AMENDMENT TO NAMED INSURED

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that:

1. The section entitled WHO IS AN INSURED is amended as follows:
 - a. Paragraph A. is deleted and replaced by the following:
 - A. With respect to Coverage A – Excess Follow Form Liability:
 - (1) Any person or organization that is a Named Insured under the provisions of **underlying insurance** shall be considered a **Named Insured** under Coverage A Excess Follow Form Liability;
 - (2) Any person or organization included as an insured under the provisions of **underlying insurance** is an **Insured** under Coverage A – Excess Follow Form Liability;

but only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.
 - a. Paragraph B. is amended to add the following as **Named Insureds** under Coverage B – Umbrella Liability:

Entities that are named insureds under the provisions of **underlying insurance**, but only while a **Named Insured** has management control over the entity during the **policy period**, subject to the following:

 - (1) the coverage provided by this insurance to such an entity does not apply to:
 - (a) **bodily injury or property damage** that occurred; or
 - (b) **personal and advertising injury** caused by an **incident** first committed;

before a **Named Insured** has management control or after a **Named Insured** ceases to have management control; and
 - (1) no person or organization is a **Named Insured**:
 - (a) with respect to the conduct of any current, past or newly formed partnership, limited liability company or joint venture that is not covered by this endorsement as a **Named Insured**; or
 - (b) if the person or organization is excluded by another endorsement attached to this policy.

For the purpose of this provision, management control means a **Named Insured**:

 - has more than 50% ownership interest in the entity, directly or indirectly; or
 - exercises management or financial control over the entity.
- a. Paragraph C. is deleted and replaced by the following:
 - C. With respect to Coverage C – Crisis Event Management and Coverage D – Key Employee, any entity that qualifies as a **Named Insured** under Coverage A or Coverage B also qualifies as a **Named Insured** under Coverage C and Coverage D.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement No: 7; Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 53 of 54



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

2. The section entitled **DEFINITIONS** is amended to delete the definition of **Named Insured** and replace it with the following:

Named Insured means the persons or organizations named as such in the Declarations, and any other organization qualifying as a **Named Insured** in the Section entitled WHO IS AN INSURED.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 333 S Wabash Ave, Chicago, IL 60604

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2017

Policy Page: 54 of 54

GROUP EXHIBIT F-3



CNA Paramount Excess and Umbrella Liability

Insured Name

SESI Consulting Engineers
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Producer Information

VICTOR INSURANCE MANAGERS INC.
2 WISCONSIN CIR
STE 1100
CHEVY CHASE, MD 20815-7003

Policy Number

CUE 6056872810

Producer Processing Code

886-028570

Policy Period

12/23/2019 to 12/23/2020

CNA Branch

VOSCO

Thank you for choosing CNA!

With your CNA Paramount Excess and Umbrella Liability policy, you have insurance coverage tailored to meet the needs of your business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services

To file a claim contact us at:

Email: HPReports@CNA.com
Fax#: 800-446-8632
Phone Number: 866-909-5343
Mailing Address: Middle Market
CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Crisis Management Expenses

- Crisis Management Limit is first dollar, in addition to the policy limit, and is available for all covered expenses, with no sublimit for Public Relations expense

The following are suggested Crisis Management firms:

Website

www.ogilvypr.com

<http://levick.com>

<http://fleishmanhillard.com>

Contact

| | | |
|-------------------------|--|-----------------------|
| Ogilvy Public Relations | | |
| Mike Sacks | michael.sacks@ogilvy.com | Phone: (312) 397-6094 |
| Levick | | |
| Megan Gabriel | mgabriel@levick.com | Phone: (202) 973-5308 |
| Michael Rubin | mrubin2@levick.com | Phone: (202) 808-3507 |
| Fleishman-Hillard | | |
| Marianna Deal | marianna.deal@fleishman.com | Phone: (314) 982-9112 |
| Ken Fields | ken.fields@fleishman.com | Phone: (314) 982-0556 |


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
POLICY DECLARATIONS
Named Insured and Mailing Address
Named Insured:

SESI Consulting Engineers

Mailing Address:

 12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Policy Information
Policy Number: 6056872810

Renewal of: 6056872810

Insurer's Name and Address:

 The Continental Insurance Company
151 N Franklin St
Chicago, IL 60606

Producer Information
Producer:

 VICTOR INSURANCE MANAGERS INC.
2 WISCONSIN CIR
STE 1100
CHEVY CHASE, MD 20815-7003

Producer Code: 886-028570

Policy Period
12/23/2019 to 12/23/2020 at 12:01 a.m. Standard Time at your mailing address.

Limits of Insurance

| | |
|--|-------------|
| Each Incident Limit | \$5,000,000 |
| Aggregate Limit | \$5,000,000 |
| Aggregate Products-Completed Operations Hazard Limit | \$5,000,000 |
| Policy Aggregate Limit | N/A |
| Crisis Management Expenses Aggregate Limit | \$300,000 |
| Key Employee Replacement Expenses Aggregate Limit | \$100,000 |

Self-Insured Retention

| | |
|------------------------|----------|
| Self-Insured Retention | \$10,000 |
|------------------------|----------|

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 1 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

Policy Page: 8 of 54



CNA Paramount Excess and Umbrella Liability
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POLICYHOLDER NOTICE – NEW JERSEY PLIGA SURCHARGE

IMPORTANT INFORMATION

"PLIGA" SURCHARGE FOR OUR NEW JERSEY COMMERCIAL LINES POLICYHOLDERS

Your policy premium includes a New Jersey Property – Liability Insurance Guaranty Association (PLIGA) surcharge. PLIGA protects consumers from insurance company insolvencies. The cost of this guaranty fund is assessed to all insurance companies in New Jersey; and in compliance with Department of Insurance Order No. A18-105, it is passed along to individual consumers via this surcharge.

The surcharge is 0.53% of your premium for all property/liability coverage except for life insurance, accident and health insurance, workers' compensation insurance, title insurance, annuities, surety bonds, credit insurance, mortgage guaranty insurance, municipal bond coverage, fidelity insurance, investment return assurance, ocean marine insurance, and pet health insurance.

For purposes of this surcharge and in compliance with New Jersey Insurance Department Regulation N.J.S.A. 17:30A-8a (3), the declarations page of this policy is the "premium bill."

If you have questions about the New Jersey – Liability Insurance Guaranty Association or this surcharge, please contact your independent CNA agent.


NOTICE – OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM
IMPORTANT INFORMATION
**NOTICE – OFFER OF TERRORISM COVERAGE;
DISCLOSURE OF PREMIUM**

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Program Year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Form No: CNA75532XX (01-2015)

Policyholder Notice Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

Policy Page: 4 of 54



CNA Paramount Excess and Umbrella Liability
Policyholder Notice

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.

Form No: CNA75532XX (01-2015)

Policyholder Notice Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

Policy Page: 5 of 54



**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

POLICYHOLDER NOTICE – OFAC REQUIREMENTS

POLICYHOLDER NOTICE

CNA Commercial Insurance

CNA Plaza 38S-420

Chicago, IL 60685-0001

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Form No: CNA76614XX (03-2015)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

Policy Page: 6 of 54



**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

POLICY LIMITATION DISCLOSURE NOTICE

This Disclosure Notice is not your policy. **READ YOUR POLICY CAREFULLY** to determine rights, duties, and what is and is not covered. Only the provisions of your policy determine the extent of your insurance protection.

This policy contains exclusions relating to asbestos and silica. As stated in the exclusions, the policy does not provide any coverage for liability arising out of the presence of or exposure to asbestos or silica.

Form No: CNA76626XX (07-2016)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

Policy Page: 7 of 54


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
Schedule of Underlying Insurance

| Underlying Insurer Policy Number Policy Period Note: | Underlying Insurance | Coverages | Limits of Insurance |
|---|--------------------------------|--|--|
| Continental Casualty Company 6056872807 12/23/2019 to 12/23/2020 | General Liability | Each Occurrence Limit General Aggregate Limit Per Location : yes Per Project : yes Products/ Completed Operations Aggregate Limit Personal and Advertising Injury Liability Limit | \$1,000,000 \$2,000,000 \$2,000,000 \$1,000,000 |
| American Casualty Company of Reading, Pennsylvania 6056872791 12/23/2019 to 12/23/2020 | Auto Liability | Combined Single Limit | \$1,000,000 |
| Continental Casualty Company 6056872807 12/23/2019 to 12/23/2020 | Employee Benefits Liability | Each Employee Limit Aggregate Limit | \$1,000,000 \$1,000,000 |

Forms and Endorsements Attached to this Policy
See SCHEDULE OF FORMS AND ENDORSEMENTS

Form No: CNA75501XX (03-2015)
 Policy Declarations Page: 2 of 3
 Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810
 Policy Effective Date: 12/23/2019
 Policy Page: 9 of 54


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**

| Premium | |
|--|-------------------------|
| Minimum Earned Premium | 0% of the Total Premium |
| Total Premium | ██████████ |
| Premium includes the following amount for Certified Acts of Terrorism Coverage | - ██████████ |
| New Jersey Property & Liability Insurance Guaranty Association Surcharge | ██████████ |

| Notices | |
|-------------------|---|
| Notice to insurer | |
| Address: | CNA Claims Reporting P.O. Box 8317 Chicago, IL 60680-8317 |
| Fax #: | 800-446-8632 |
| Email Address: | HPReports@CNA.com |

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

Policy Page: 10 of 54


**CNA Paramount Excess and Umbrella Liability
Policy Schedule**
SCHEDULE OF FORMS AND ENDORSEMENTS

| Endorsement Number | Form Name | Form Number | Form Edition Date |
|--------------------|---|-------------|-------------------|
| 1 | CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY | CNA62814NJ | 09-2012 |
| 2 | PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT | CNA75518XX | 03-2015 |
| 3 | CHANGES - NOTICE OF CANCELLATION ENDORSEMENT | CNA75525XX | 03-2015 |
| 4 | EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT | CNA75576XX | 03-2015 |
| 5 | UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT | CNA76492XX | 03-2015 |
| 6 | COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT NEW JERSEY | CNA76597NJ | 03-2015 |
| 7 | AMENDMENT TO NAMED INSURED | CNA88301XX | 08-2017 |
| | POLICYHOLDER NOTICE OF AC REQUIREMENTS | CNA76614XX | 03-2015 |
| | POLICY LIMITATION DISCLOSURE NOTICE | CNA76626XX | 07-2016 |
| | NOTICE - OFFER OF TERRORISM COVERAGE, DISCLOSURE OF PREMIUM | CNA75532XX | 01-2015 |
| | PAYMENT PLAN SCHEDULE | CNA84401XX | 12-2015 |
| | POLICYHOLDER NOTICE - NEW JERSEY PLIGA SURCHARGE | CNA62848NJ | 02-2019 |
| | POLICY DECLARATIONS | CNA75501XX | 03-2015 |
| | PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY | CNA75504XX | 03-2015 |

Form No: CNA62640XX (09-2012)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

Policy Page: 11 of 54



**CNA Paramount Excess and Umbrella Liability
Policy Schedule**

PAYMENT PLAN SCHEDULE

PAYMENT PLAN SCHEDULE

THE BILLING FOR THIS POLICY WILL BE FORWARDED TO YOU DIRECTLY FROM CNA.

**THIS PREMIUM WILL BE INVOICED BY CNA ON A SEPARATE STATEMENT ACCORDING TO THE PAYMENT
OPTION YOU SELECT.**

The premium amount for this transaction is:

██████████

Form No: CNA84401XX (12-2015)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

Policy Page: 12 of 54



PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

The "Insurer" refers to the insurer providing this insurance as set forth on the Declarations of this Policy. Words and phrases that appear in **bold** have special meaning. Refer to the section entitled **DEFINITIONS**.

I. COVERAGES**A. Coverage A - Excess Follow Form Liability**

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the applicable **underlying limits**. Coverage hereunder will attach only after the full amount of the applicable **underlying limits** have been exhausted through payment in legal currency of covered loss under all applicable **underlying insurance** and to which this Coverage A applies.

Coverage A under this Policy will then apply in conformance with the provisions of the applicable **underlying insurance** except for the premium, limits of insurance, deductible, retentions, or any defense obligations and any other terms and conditions specifically set forth in this Policy.

Upon exhaustion of the applicable **underlying limits**, the Insurer shall only pay for **damages** in excess of the applicable **underlying limits**. This Coverage A does not provide coverage for any loss not covered by the applicable **underlying insurance** except and to the extent that such loss is not paid under the applicable **underlying insurance** solely by reason of the exhaustion of the applicable **underlying limits** through payment of loss thereunder.

This Coverage applies:

1. if the applicable **underlying insurance** is on an occurrence basis, then only if that which must take place in the policy period of the **underlying insurance** in order to trigger coverage, takes place during this **policy period**; and
2. if the applicable **underlying insurance** is on a claims made basis, then only if:
 - a. that which must take place in the **underlying insurance** in order to trigger coverage, takes place after the retroactive date and prior to the end of the **policy period**; and
 - b. the **claim** is first made during the **policy period**.

B. Coverage B - Umbrella Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the **retained amount**:

1. that an **Insured** becomes legally obligated to pay because of **bodily injury**, **property damage** or **personal and advertising injury**; or
2. because of liability for **bodily injury** or **property damage** assumed under an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of such **insured contract**;

and provided that:

- a. the **bodily injury** or **property damage** occurs during the **policy period**;
- b. the **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**;



CNA Paramount Excess and Umbrella Liability Policy

- c. the **personal and advertising injury** is caused by an offense arising out of the **Named Insured's** business; and
- d. the offense giving rise to **personal and advertising injury** was first committed during the **policy period** and in the **coverage territory**;

Provided, however, that **Coverage B - Umbrella Liability**:

- i. does not apply to:
 - (a) any part of **damages** to which **underlying insurance** applies; or
 - (b) any part of **damages** to which **underlying insurance** would have applied regardless of:
 - (1) the availability of **underlying insurance**; or
 - (2) the exhaustion of the applicable **underlying limits**;
 - (c) any **defense costs** related to **damages** as described in a. and b. above.
- ii. applies only if prior to the effective date of the **policy period**, no **authorized insured**:
 - (a) knew that such **bodily injury** or **property damage** had occurred, in whole or in part. If any **authorized insured** knew, prior to the **policy period**, that any such **bodily injury** or **property damage** had occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**; or
 - (b) knew that any offense giving rise to **personal and advertising injury** had occurred, in whole or in part.

Bodily injury or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any **authorized insured**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

An **authorized insured** will be deemed to know:

1. that such **bodily injury** or **property damage** occurred, at the earliest time when such **authorized insured**:
 - a. reports the **bodily injury** or **property damage** to the Insurer or any other insurer;
 - b. receives a **claim** arising out of the **bodily injury** or **property damage**; or
 - c. becomes aware by any other means that the **bodily injury** or **property damage** has occurred or has begun to occur;
2. that such offense giving rise to **personal and advertising injury** occurred, on the date of the first utterance or dissemination or, if there is no utterance or dissemination, then on the first date of the activity giving rise to a **claim**.

C. Coverage C - Crisis Management Expenses

The Insurer will reimburse the **Named Insured** for **crisis management expenses** incurred by the **Named Insured** as a direct result of its response to a **crisis management event** that first occurs during the **policy period**, provided:

- 1 such **crisis management event** is reported to the Insurer as soon as reasonably practicable following the **crisis management event**, or within 72 hours after such **crisis management event** begins if such **crisis management event** is likely to give rise to **bodily injury** or **property damage**;



CNA Paramount Excess and Umbrella Liability Policy

2. such **crisis management expenses** are incurred within 180 days after the **crisis management event** and reported to the Insurer as soon as reasonably practicable; and,
3. such **crisis management expenses** are approved in advance by the Insurer.

The period of time for which the Insurer will pay **crisis management expenses** will not be limited by the expiration of the **policy period**.

D. Coverage D – Key Employee

The Insurer will reimburse the **Named Insured** for **key employee replacement expenses** due to the **Named Insured's** permanent loss of the services of a **key employee** provided that:

1. the **Named Insured** would not have incurred such **key employee replacement expenses** if the **Named Insured** had not lost the services of the **key employee**;
2. such **key employee replacement expenses** are incurred by the **Named Insured** within 180 days of the **covered accident** and reported to the Insurer as soon as reasonably practicable;
3. such loss of service is caused by a **covered accident**;
4. the **covered accident** occurs during the **policy period**; and
5. a replacement for such **key employee** is hired within 180 days after the **covered accident**.

The period of time for which the Insurer will pay **key employee replacement expenses** will not be limited by the expiration of the **policy period**.

II. DEFENSE COSTS PAYMENT AND RELATED DUTIES

- A. The Insurer has the right and duty to defend any **suit**, and the right to assume control of the investigation and settlement of any **claim**, against the **Insured**, as follows:
 1. with respect to the **Coverage A - Excess Follow Form Liability**, upon exhaustion through payment in legal currency of the full amount of the applicable **underlying limits** over which **Coverage A** applies.
 2. with respect to the **Coverage B - Umbrella Liability**, upon receipt by the Insurer of a **claim** to which Coverage B applies.

When the Insurer has the duty to defend any **suit** and the right to investigate any **claim** but is prevented by law from doing so, the **Insured** will undertake such defense and investigation, and the Insurer will reimburse the **Insured** for the **defense costs**.

The Insurer's obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** does not apply if any other insurer has a duty to defend. Further, any obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** ceases upon exhaustion of the applicable limits of insurance of this Policy.

- B. The Insurer may, at the Insurer's sole discretion and at the Insurer's own cost, elect to participate in the investigation, settlement or defense of any **claim** against any of the **Insureds** for matters covered by this Policy even if the applicable **underlying limit** has not been exhausted.
- C. The Insurer will pay **defense costs** as follows:
 - 1 with respect to the **Coverage A - Excess Follow Form Liability**, **defense costs** are paid within or excess of the limits of insurance as set forth in the applicable **underlying insurance**.
 2. with respect to the **Coverage B - Umbrella Liability**, **defense costs** are paid in excess of and do not erode the limits of insurance or the **retained amount**.
- D Where the Insurer investigates a **claim** or defends a **suit**, the Insurer will do so even if the allegations of a **claim** are groundless, false, or fraudulent. If Insurer investigates a **claim** or defends a **suit**, Insurer will



CNA Paramount Excess and Umbrella Liability Policy

do so only until the Insurer:

1. makes payment of; or
2. offers to pay; or
3. deposits in court

that part of a judgment up to but not exceeding the Insurer's applicable limits of insurance.

- E. No Insured shall admit liability, consent to any judgment, agree to any settlement or make any settlement offer which is reasonably likely to involve this Policy without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insureds agree that they shall not knowingly take any action that increases the Insurer's exposure for damages or defense costs under this Policy.**

III. EXCLUSIONS

A. Coverage A - Excess Follow Form Liability and Coverage B - Umbrella Liability Exclusions

With respect to both the **Coverage A- Excess Follow Form Liability** and **Coverage B -Umbrella Liability**, this Insurance does not apply to:

1. Access to or Disclosure of Confidential or Personal Information and Data-Related Liability

any actual or alleged **damages** arising out of:

- a. any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- b. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the **Named Insured** or others arising out of that which is described in paragraph **a.** or **b.** above.

However, unless paragraph **a.** above applies, this exclusion does not apply to **bodily injury** to the extent that such liability is covered by **underlying insurance**.

2. Asbestos

- a. any actual or alleged liability arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or
- b. any actual or alleged loss, cost or expense that may be awarded or incurred:
 - i. by reason of a **claim** for any such injury or damage; or
 - ii. in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of **asbestos**.

3. Damage to Impaired Property or Property not Physically Injured

any actual or alleged **property damage to impaired property** or property that has not been physically injured, arising out of:

- a. a defect, deficiency, inadequacy or dangerous condition in **your product or your work**; or
- b. a delay or failure by the **Named Insured** or anyone acting on the **Named Insured's** behalf to perform a contract or agreement in accordance with its terms.



This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

4. Damage to Premises Rented or Occupied by the Named Insured

any actual or alleged **property damage** to premises rented to the **Named Insured** or in the case of damage by fire, while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the owner.

5. Distribution or Recording of Material or Information in Violation of Laws

any actual or alleged liability arising directly or indirectly out of any actual or alleged:

- a. violation of:
 - i. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - ii. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - iii. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
 - iv. any statute, ordinance, regulation or law other than the TCPA, CAN-SPAM Act of 2003, or FCRA, including FACTA, and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information; or
- b. conversion or consumption of another's tangible property or electronic assets. For the purpose of this provision, electronic assets include but are not limited to minute allowances, text message allowances, and other electronic consumables.

6. Employment Related Practices

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a. a person arising out of any actual or alleged:
 - i. refusal to employ that person;
 - ii. termination of that person's employment;
 - iii. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. the **spouse**, child, parent, brother or sister of that person as a consequence of such **bodily injury** or **personal and advertising injury** to that person at whom any of the employment-related practices described in paragraphs a. i., ii., or iii. above is directed.

This exclusion applies:

- a. whether the injury-causing event described in paragraphs a. i., ii., or iii. above occurs before employment, during employment or after employment of that person;
- b. whether the **Insured** may be liable as an employer or in any other capacity; and
- c. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, this exclusion does not apply to **bodily injury** a person sustains during a job interview while attempting to demonstrate a physical capability or skill required by the job to the extent that



such liability is covered by **underlying insurance**.

7. ERISA

any actual or alleged liability arising out of any actual or alleged obligation of any **Insured** under the Employees Retirement Income Security Act of 1974 or any similar common or statutory law anywhere in the world including any amendments or additions thereto.

8. Nuclear Energy Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury**:

- a. with respect to which an **Insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of insurance;
- b. resulting from the **hazardous properties of nuclear material** and with respect to which:
 - i. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - ii. the **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- c. resulting from **hazardous properties of nuclear material**, if:
 - i. the **nuclear material**:
 - (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **Insured** or
 - (b) has been discharged or dispersed therefrom;
 - ii. the **nuclear material** is contained in **spent fuel** or **nuclear waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
 - iii. the **bodily injury, property damage or personal and advertising injury** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion applies only to **property damage** to such **nuclear facility** and any property thereat.
- d. Under any Medical Payments coverage, to expenses with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

Solely as used in this exclusion:

- (a) **property damage** includes all forms of radioactive contamination of property;
- (b) **hazardous properties** includes but is not limited to radioactive, toxic or explosive properties;
- (c) source material, special nuclear material, and by-product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.


9. Recall of Products, Work or Impaired Property

any actual or alleged loss, cost or expense incurred by the **Named Insured** or any person or entity, for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product, your work or impaired property**, if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

10. Unfair Competition/Antitrust Claims/RICO Claims

any actual or alleged liability arising out of any:

- a. unfair competition, dilution, deceptive trade practices, or civil actions for consumer fraud;
- b. charges of price fixing, monopolization or restraint of trade; or
- c. any violation of:
 - i. the Federal Trade Commission Act;
 - ii. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - iii. the Racketeer Influenced and Corrupt Organizations Act;
 - iv. any rules or regulations promulgated under or in connection with the above statutes; or
 - v. any state, federal or local statute or other law which similarly regulates business practices.

11. Uninsured/Underinsured Motorists

any actual or alleged liability arising out of any obligations under an uninsured/underinsured motorist law, a personal injury protection law, a reparations benefit law or other similar law.

12. War

any actual or alleged liability arising, directly or indirectly out of any:

- a. war, including undeclared or civil war;
- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Workers' Compensation and Similar Laws /Nonsubscriber Status

any actual or alleged liability arising out of any obligation of any **Insured**:

- a. under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- b. by reason of a statement of non-subscription on file with any applicable Worker's Compensation authority of any State indicating the **Named Insured** has chosen not to participate in the Workers Compensation system in accordance with laws of such state.

B. Coverage A - Excess Follow Form Liability Exclusions

With respect to **Coverage A - Excess Follow Form Liability**, this Insurance does not apply to:

1. Coverages Subject to a Sub Limit

any actual or alleged liability, loss, cost or expense covered under any **underlying insurance** which is



subject to a **sub limit**.

2. Crisis Management Expenses

crisis management expenses except as provided for in **Coverage C** above even if such insurance is afforded under **underlying insurance** or would have been afforded but for the exhaustion of the **underlying limits**.

3. Pollution

- a. any actual or alleged **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - i. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured** except that this subparagraph does not apply to:
 - (a) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**; or
 - (b) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - ii. at or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom the **Named Insured** may be legally responsible; or
 - iv. at or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:
 - (a) If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor; except that this subparagraph does not apply to **bodily injury** or **property damage** arising out of:
 - (1) the escape of fuels, lubricants, or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury** or **property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **Insured**, contractor or subcontractor; or
 - (2) heat, smoke or fumes from a **hostile fire**; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**;
 - v. that are, or that are contained in property that is:
 - (a) being transported or towed by, or handled for movement into, onto or from a covered **auto**;
 - (b) otherwise in the course of transit; or



CNA Paramount Excess and Umbrella Liability Policy

- (c) being stored, disposed of, treated or processed in or upon the covered **auto** except that this subparagraph does not apply to fuels, lubricants, fluids, exhaust, gases or other similar **Pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts if the **pollutants** escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**;
- vi. before the **pollutants** or property in which the **pollutants** are contained are moved from the place where they are accepted by the **Insured** for movement into or onto the covered **auto**;
or
- vii. after the **pollutants** or property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **Insured**.

Subparagraphs **vi.** and **vii.** do not apply if the **pollutants** or property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto** and the discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

- b. any actual or alleged **personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- c. any actual or alleged loss, cost or expense arising out of any:
 - i. request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

However, if liability for **damages** because of **property damage** is not excluded by paragraph **a.** of this exclusion, then neither will paragraph **c.** above serve to exclude such **damages**.

C. Coverage B - Umbrella Liability Exclusions

With respect to the **Coverage B - Umbrella Liability**, this Insurance does not apply to:

1. Aircraft, Auto, Watercraft or Mobile Equipment

any actual or alleged **bodily injury, property damage, personal and advertising injury** arising out of the ownership, maintenance, operation, use, **loading or unloading** or entrustment to others of any:

- a. **aircraft** owned by any **Insured** or rented, loaned or chartered by or on behalf of any **Insured** without crew; or
- b. **autos, watercraft or mobile equipment**

This exclusion applies even if such **claim** against an **Insured** alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**.

This exclusion does not apply to:

- i. watercraft while ashore on premises the **Named Insured** owns or rents;
- ii. watercraft the **Named Insured** does not own that is:
 - (a) less than 55 feet long; and
 - (b) not being used to carry persons or property for a charge; or



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- iii. liability assumed under any **insured contract** for the ownership, maintenance or use of watercraft.

2. Contractual Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury** for which an **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement other than an **insured contract**. This exclusion does not apply to liability that the **Insured** would have in the absence of such contract or agreement.

3. Damage to Property

any actual or alleged **property damage** to:

- a. property the **Named Insured** owns, rents, or occupies, including any costs or expenses incurred by the **Named Insured**, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. premises the **Named Insured** sells, gives away or abandons, if the **property damage** arises out of any part of those premises;
- c. property loaned to the **Named Insured**;
- d. personal property in the care, custody or control of the **Insured**;
- e. that particular part of real property on which the **Named Insured** or any contractors or subcontractors working directly or indirectly on its behalf are performing operations, if the **property damage** arises out of those operations; or
- f. that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph b. of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by the **Named Insured**.

Paragraphs c., d., e. and f. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph f. of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

4. Damage to Your product

any actual or alleged **property damage** to **your product** arising out of it or any part of it.

5. Damage to Your work

any actual or alleged **property damage** to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**. This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the **Named Insured's** behalf by a subcontractor.

6. Employee Injury

any actual or alleged **bodily injury or personal and advertising injury** to:

- a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b. the **spouse, child, parent, brother or sister** of that **employee** as a consequence of a. above.



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This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **Insured** under an **insured contract**.

7. Expected or Intended injury

any actual or alleged **bodily injury** or **property damage** arising out of an act or omission:

- a. intended by an **Insured**; or
- b. that would be expected from the standpoint of a reasonable person in the circumstances of the **Insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. Fungi or Other Organic Pathogens

- a. any actual or alleged **bodily injury**, **property damage** or **personal and advertising injury** arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens**;
- b. any actual or alleged loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of **fungi or other organic pathogens** by any **Insured** or by anyone else; or
- c. any actual or alleged **property damage** caused by water where there also exists any **property damage** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense.

9. Liquor Liability

any actual or alleged **bodily injury** or **property damage** for which any **Insured** may be held liable by reason of:

- a. causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on the **Insured's** premises, for consumption on the **Insured's** premises;
- b. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the **claims** against any **Insured** allege negligence or other wrongdoing in:

- i. the supervision, hiring, employment, training or monitoring of others by that **Insured**; or



- ii. providing or failing to provide transportation with respect to any person that may be under the influence of alcohol,

if the **occurrence** which caused the **bodily injury** or **property damage** involved that which is described in paragraph **a.**, **b.** or **c.** above.

10. Nonemployment Related Discrimination

any actual or alleged personal and advertising injury arising out of any actual or alleged nonemployment related discrimination committed intentionally against a person.

11. Personal and Advertising Injury

any actual or alleged **personal and advertising injury**:

a. Breach of Contract

arising out of breach of contract, except an implied contract to use another's advertising idea in the **Named Insured's advertisement**.

b. Criminal Acts or Conduct

arising out of any actual or alleged criminal act or omission committed by or at the direction of any **Insured**. This exclusion does not apply to the extent liability is imposed upon the **Insured** for acts or omissions of another committed without the knowledge or consent of the **Insured**.

c. Electronic Chat Rooms or Bulletin Boards

arising out of an electronic chat room or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

d. Infringement of Copyright, Patent, Trademark or Trade Secret

arising out of infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in the **Named Insured's advertisement**. However, this exclusion does not apply to infringement of copyright, trade dress or slogan in the **Named Insured's advertisement**.

e. Insureds in Media and Internet Type Businesses

committed by an **Insured** whose business is:

- i. advertising, broadcasting, publishing or telecasting;
- ii. designing or determining content or web-sites for others; or
- iii. an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraph **A.**, **B.** or **C.** of **personal and advertising injury** as defined in the section entitled Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for the **Named Insured** or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

f. Knowing Violation of Rights of Another

caused by an actual or alleged offense, act or omission by or at the direction of the **Insured** if the **Insured** knew or should have known that such offense, act or omission would cause such **personal and advertising injury**.



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g. **Material Published Prior To Policy Period**

arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

h. **Material Published with Knowledge of Falsity**

arising out of written publication in any manner of material, if the **Insured** knew or should have known the material was false.

i. **Quality or Performance of Goods – Failure to Conform to Statements**

arising out of any failure of goods, products or services to conform to any statement of quality or performance made in the **Named Insured's advertisement**.

j. **Unauthorized Use of Another's Name or Product**

arising out of unauthorized use of another's name or product in the **Named Insured's** e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

k. **Wrong Description of Prices**

arising out of the wrong description of the price of goods, products or services stated in the **Named Insured's advertisement**.

12. **Pollution**

- a. any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- b. any actual or alleged loss, cost or expense arising out of any:
 - i. request, demand, order, or statutory or regulatory requirement that anyone test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants**.

13. **Silica**

- a. any actual or alleged **bodily injury** arising, in whole or in part, out of the actual, alleged or threatened respiration or ingestion at any time of **silica**; or
- b. any actual or alleged **property damage** arising in whole or in part out of the actual, alleged or threatened presence of **silica**.
- c. any actual or alleged **personal and advertising injury** arising, in whole or in part, out of the actual, alleged or threatened:
 - i. exposure at any time to; or
 - ii. presence at any time of;**silica**.

14. **Terrorism**

any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of any act of terrorism.


D. Coverage D - Key Employee Exclusions

With respect to **Coverage D – Key Employee**, this insurance does not apply to any actual or alleged:

1. Death or Disability

death or permanent disability of a **key employee** relating to, or arising out of:

- a. nuclear reaction or radiation or radioactive contamination, however caused;
- b. sickness or disease, including mental illness or mental injury;
- c. pregnancy, childbirth, miscarriage or abortion;
- d. suicide, attempted suicide or self inflicted bodily injury, while sane or insane;
- e. the **key employee's** intoxication, impairment or otherwise being under the influence of alcohol or controlled substances;
- f. war, including undeclared or civil war;
- g. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- h. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Other Expenses

- a. expenses the **Named Insured** incurs which the **Named Insured** would not have incurred if the **Named Insured** had used all reasonable means to:
 - i. find a permanent replacement for the **key employee**; and
 - ii. reduce or discontinue the **key employee** replacement expense;
 as soon as possible after the **Named Insured's** permanent loss of the services of the **key employee** caused by a **covered accident**.
- b. additional expenses incurred due to the **Named Insured's** loss of the services of a permanent replacement appointed or hired to replace a **key employee**, however caused. However, this exclusion does not apply if the replacement employee is included in the definition as a **key employee** and the **Named Insured's** loss of the services of the replacement employee is caused by a **covered accident**.

IV. WHO IS AN INSURED

The following persons or organizations are **Insureds**.

A. With respect to **Coverage A - Excess Follow Form Liability**, the **Named Insured** and any persons or organizations included as an insured under the provisions of **underlying insurance** are **Insureds**, and then only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

B. With respect to the **Coverage B - Umbrella Liability**:

1. If the **Named Insured** is designated in the Declarations of this Policy as:

- a. an individual, the **Named Insured** and the **Named Insured's spouse** are **Insureds**, but only with respect to the conduct of a business of which the **Named Insured** is the sole owner.
- b. a partnership or joint venture, the **Named Insured** is an **Insured**. The **Named Insured's** members, the **Named Insured's** partners, and their **spouses** are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business.



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- c. a limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** members are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business. The **Named Insured's** managers are **Insureds**, but only with respect to their duties as the **Named Insured's** managers.
- d. an organization other than a partnership, joint venture or limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** executive officers and directors are **Insureds**, but only with respect to their duties as the **Named Insured's** officers or directors. The **Named Insured's** stockholders are also **Insureds**, but only with respect to their liability as stockholders.
- e. a trust, the **Named Insured** is an **Insured**. The **Named Insured's** trustees are also **Insureds**, but only with respect to their duties as trustees.

2. Each of the following are also **Insureds**:

- a. The **Named Insured's** volunteer workers but only while performing duties related to the conduct of the **Named Insured's** business.
- b. The **Named Insured's** employees, other than either the **Named Insured's** executive officers (if the **Named Insured** is an organization other than a partnership, joint venture or limited liability company) or the **Named Insured's** managers (if the **Named Insured** is a limited liability company), but only for acts within the scope of their employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business.

However, none of these employees or volunteer workers are **Insureds** for:

i. **bodily injury or personal and advertising injury:**

- (a) to the **Named Insured**, to the **Named Insured's** partners or members (if the **Named Insured** is a partnership or joint venture), to the **Named Insured's** members (if the **Named Insured** is a limited liability company), to a co-employee while in the course of his or her employment or performing duties related to the conduct of the **Named Insured's** business, or to the **Named Insured's** other volunteer workers while performing duties related to the conduct of the **Named Insured's** business;
- (b) to the spouse, child, parent, brother or sister of that co-employee or volunteer worker as a consequence of paragraph (i)(a) above;
- (c) for which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraph i. (a) or (b) above; or
- (d) arising out of his or her providing or failing to provide professional health care services.

ii. **property damage to property:**

- (a) owned, occupied or used by;
- (b) rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

the **Named Insured**, any of the **Named Insured's** employees, volunteer workers, any partner or member (if the **Named Insured** is a partnership or joint venture), or any member (if the **Named Insured** is a limited liability company).

- C. With respect to the **Coverage C - Crisis Event Management** and the **Coverage D - Key Employee**, the **Named Insured** is the **Insured**.

V. LIMITS OF INSURANCE

A. Multiple Insureds, claims, claimants

The limits of insurance shown in the Declarations of this Policy and the rules below fix the most the

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Insurer will pay regardless of the number of:

1. **Insureds**;
2. **claims** made or brought against the **Insured**;
3. persons or organizations making **claims** or bringing **claims**; and
4. coverages under this Policy.

B. Aggregate Limit

Subject to the paragraphs **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate limit is the most that the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for:

1. **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated; and
2. **damages** covered under the **products-completed operations hazard**.

The limits of insurance shown in the Declarations of this Policy apply to the entire **policy period**, regardless of length.

In addition, with respect to **Coverage A – Excess Follow Form Liability** only, the Aggregate limit shown in the Declarations of this Policy shall be applied in the same manner as the applicable Aggregate limits in the Schedule of **underlying insurance**.

C. Aggregate Products-Completed Operations Hazard

Subject to paragraph **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate Products-Completed Operations Hazard limit is the most that the Insurer will pay as **damages** arising out of the **products-completed operations hazard**, regardless of whether such **damages** are or otherwise would be covered in any way under more than one coverage.

D. Policy Aggregate Limit

This provision **D.** only applies if an amount is shown in the Declarations as the Policy Aggregate Limit.

Subject to the Each **Incident** limit, Aggregate limit and Aggregate **products-completed operations hazard** limit, the Policy Aggregate limit is the most the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated.

E. Each Incident

Subject to paragraphs **B.**, **C.** and **D.** above, the limit of insurance shown in the Declarations of this Policy as the Each **Incident** limit is the most the Insurer will pay for the sum of all **damages** arising out of any one **incident** under this Policy, regardless of which coverage applies.

F. Crisis Management

Solely with respect to **Coverage C – Crisis Management Expenses**, the most the Insurer will pay is the limit of insurance shown on the Declarations of this Policy as the **Crisis Management Expenses** Aggregate limit, regardless of the number **crisis management events** for which **crisis management expenses** are incurred. **Crisis management expenses** are not subject to the **retained amount**.

The **Crisis Management Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Crisis Management Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

G. Key Employee Replacement Expenses

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Solely with respect to **Coverage D – Key Employee**, the most the Insurer will pay for **key employee replacement expenses** is the **Key Employee** Aggregate limit shown on the Declarations of this Policy, regardless of the number **key employees** for which **key employee replacement expenses** are incurred. **Key employee replacement expenses** are not subject to the **retained amount**.

The **Key Employee Replacement Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Key Employee Replacement Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

H. Defense Costs

Defense costs are either paid within or are in excess of the limits of insurance as set forth in paragraph **C.** of the section entitled **Defense Costs Payment and Related Duties**.

I. Exhaustion or Reduction of Applicable Underlying Limit

Solely with respect to **Coverage A - Excess Follow Form Liability**, if the applicable **underlying limits** are:

1. reduced solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) **Coverage A** will apply in excess of the remaining amount of such applicable **underlying limit**; or
2. exhausted, solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) then **Coverage A** will apply, subject to this Policy's limit of insurance provision and to the remaining terms and provisions and conditions of this Policy in place of such exhausted applicable **underlying limit**.

If any loss covered under any **underlying insurance** is subject to a **sub-limit** (whether or not such **sub-limit** erodes the limits generally available to all claims), then the **underlying limits** shall not be deemed depleted by payment of any such **sub-limits**.

Nothing herein shall serve to increase the limits of insurance shown in the Declarations of this Policy.

VI. CONDITIONS

A. Appeals

If the **Named Insured** or its **underlying insurers** elect not to appeal a judgment in excess of the limits of insurance afforded by the **underlying insurance** the Insurer may elect to appeal at the Insurer's expense. The Insurer's limits of insurance shall not be increased because of such appeal. However, the Insurer will pay the following costs and expenses:

1. all premium bonds to release attachments for an amount not in excess of the applicable limit of insurance of this policy;
2. all premiums on appeal bonds required in such defended **claims**, but without obligation to apply for or furnish such bonds;
3. court fees; and
4. costs and expenses taxed against the **Named Insured** by the appellate court and interest accruing after entry of a judgment against the **Named Insured** and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance of this Policy. Where the **underlying insurers** terminate their liability to pay interest on the judgment by an offer to pay their limits, the **Named Insured** shall demand that such limits be paid. If the appeal is successful, such amounts not obligated to be paid shall be returned to such **underlying insurer**.

B. Cancellation and Nonrenewal

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The Cancellation/Nonrenewal provisions are as set forth in the Cancellation/Nonrenewal Endorsement attached to this Policy.

C. Changes to the Policy

Notice to any of the Insurer's agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy, nor will such notice prevent the Insurer from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued by the Insurer to form a part of this Policy.

D. Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by the Insurer would have led to refusal by the Insurer to make this contract or provide coverage, or to make this contract or provide coverage on different terms or conditions, will be deemed material.

E. Duties of the First Named Insured on the Declarations of this Policy

The **First Named Insured**, on behalf of all others, will be:

1. authorized to make changes in the terms of this Policy with the consent of the Insurer;
2. the payee of any premiums the Insurer refunds;
3. responsible for:
 - a. remitting the payment of all premiums due, but all **Named Insureds** jointly and severally agree to make such payments in full if the **First Named Insured** fails to pay the amount due within 10 days after the Insurer give written notice or demand;
 - b. keeping records of the information the Insurer requires for premium computation, and sending copies of such records at such times as requested by the Insurer;
 - c. notifying the Insurer that the **First Named Insured** on behalf of all others wants to cancel this Policy; and
 - d. providing any notice required under this Policy.

F. Economic and Trade Sanctions

This Policy does not provide coverage for an **Insured**, transaction or that part of loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

G. Entire Contract

By acceptance of this Policy, the **Insureds** agree that this Policy, including all endorsements to this Policy, constitute the entire contract existing between the parties relating to this insurance.

H. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or spouse outside the scope of such person's capacity or status as such provided however that this sentence does not apply to the spouse of:

1. a sole proprietorship **Named Insured**; or

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2. members or partners of joint venture or partnership **Named Insureds**.

Examination of the **Named Insured's Books and Records**

The Insurer may examine and audit the **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

J. Financial Impairment

Bankruptcy, rehabilitation, receivership, liquidation or other financial impairment of the **Named Insured** or an **underlying insurer** shall neither relieve nor increase any of the Insurer's obligations under this Policy.

In the event there is diminished recovery or no recovery available to the **Named Insured** as a result of financial impairment of an **underlying insurer**, the coverage under this Policy shall apply only in excess of the **underlying limits**. Under no circumstances shall the Insurer be required to drop down and replace the **underlying limits**, or assume the obligations of the **Named Insured** or the financially impaired insurer.

K. Headings

The description in the headings and subheadings of this Policy is solely for convenience, and forms no part of the terms and conditions of coverage.

L. Inspections and Surveys

The Insurer has the right but is not obligated to:

1. make inspections and surveys at any time;
2. give the **Named Insured** reports on the conditions it finds;
3. recommend changes; or
4. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

1. make safety inspections;
2. undertake to perform the duty of any organization to provide for the health or safety of workers or the public; nor
3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

This provision applies not only to the Insurer, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, recommendations, reports, or gives loss control or prevention advice, on its behalf.

M. Legal Action Limitation

No person or organization has a right under this Policy:

1. to join the Insurer as a party or otherwise bring the Insurer into a **suit** asking for **damages** from an **Insured**; or
2. to sue Insurer on this Policy unless **all** of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an **Insured**; but the Insurer will not be liable for **damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An "agreed settlement" means a settlement and release of liability signed by the Insurer, the **Insured** and the claimant or the claimant's legal representative.


N. Maintenance of Underlying Insurance

Solely with respect to **Coverage A - Excess Follow Form Liability**, while this Policy is in force the **First Named Insured** agrees that the **underlying insurance** and renewals and replacements thereof shall be maintained, without alterations of terms or conditions, in full effect during the term of this Policy; except for reduction or exhaustion of the limits of insurance in the **underlying insurance**, provided that such reduction or exhaustion is solely the result of **incidents** covered under this Policy.

If the **First Named Insured** fails to maintain **underlying insurance**, this condition shall not invalidate this Policy. However, in the event of such failure, the Insurer will only be liable to the same extent as if such **underlying insurance** was in full force and effect without alteration of its terms and conditions.

O. Notice of Claims/Crisis Management Event/Covered Accident

1. Solely with respect to **Coverage A - Excess Follow Form Liability**, if any **underlying insurance** is a policy issued by the Insurer or any of its affiliates, then notice of any **claim** under such **underlying insurance** is notice to the Insurer under this Policy.
2. It is a condition precedent to coverage under this Policy that:
 - a. subject to paragraph b. below, the **Insured** notify the Insurer as soon as practicable of an **incident** which an **Insured** believes may result in a **claim**. To the extent possible, notice should include:
 - i. how, when and where the **incident** took place;
 - ii. the names and addresses of any injured persons and witnesses; and
 - iii. the nature and location of any injury or damage arising out of the **incident**.
 - b. the **Insured** notify the Insurer as soon as practicable of an **incident** if it involves:
 - i. a demand against the **Insured** which exceeds 50% of any remaining applicable **underlying limit**;
 - ii. any **underlying insurance** reserve or monetary exposure exceeding \$500,000; or
 - iii. any of the following:
 - (a) brain damage, including but not limited to any neurological impairment of infants or adults and coma;
 - (b) spinal cord injury, including but not limited to paraplegia or quadriplegia;
 - (c) loss of any organ;
 - (d) severe disfigurement, including but not limited to burns and amputations; or
 - (e) death.
 - c. if a **claim** is made against any **Insured**, the **Named Insured**:
 - i. will immediately record the specifics of the **claim** and the date received and notify the Insurer of such **claim**;
 - ii. will immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
 - iii. will authorize the Insurer to obtain records and other information;
 - iv. will cooperate with the Insurer in the investigation or settlement of the **claim** or defense against the **suit**;

will assist the Insurer, upon its request, in the enforcement of any right against any person



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or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply; and

- vi. will not voluntarily make a payment, except at its own cost, assume any obligation, or incur any expense, other than for first aid, without the Insurer's prior consent.

3. Cooperation

With respect to both **Coverage A - Excess Follow Form Liability** and **Coverage B - Umbrella Liability**, the **Named Insured** will cooperate with the Insurer in addressing all **claims** required to be reported to the Insurer in accordance with this paragraph **O. Notice of Claims/Crisis Management Event/Covered Accident**, and refuse, except solely at its own cost, to voluntarily, without the Insurer's approval, make any payment, admit liability, assume any obligation or incur any expense related thereto.

P. Notices

Any notices required to be given by an **Insured** shall be submitted in writing to the Insurer at the address set forth in the Declarations of this Policy.

Q. Other Insurance

If the **Insured** is entitled to be indemnified or otherwise insured in whole or in part for any **damages** or **defense costs** by any valid and collectible **other insurance** for which the **Insured** otherwise would have been indemnified or otherwise insured in whole or in part by this Policy, the limits of insurance specified in the Declarations of this Policy shall apply in excess of, and shall not contribute to a **claim, incident** or such event covered by such **other insurance**.

With respect to **Coverage A - Excess Follow Form Liability** only, if:

- a. the **Named Insured** has agreed in writing in a contract or agreement with a person or entity that this insurance would be primary and would not seek contribution from any other insurance available;
- b. **Underlying Insurance** includes that person or entity as an additional insured; and
- c. **Underlying Insurance** provides coverage on a primary and noncontributory basis as respects that person or entity;

then this insurance is primary to and will not seek contribution from any insurance policy where that person or entity is a named insured.

R. Premium

All premium charges under this Policy will be computed according to the Insurer's rules and rating plans that apply at the inception of the current **policy period**. Premium charges may be paid to the Insurer or its authorized representative.

S. In Rem Actions

A quasi *in rem* action against any vessel owned or operated by or for a **Named Insured**, or chartered by or for a **Named Insured**, will be treated in the same manner as though the action were *in personam* against the **Named Insured**.

T. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Policy to the **First Named Insured**, this insurance applies:

- 1. as if each **Named Insured** were the only **Named Insured**; and
- 2. separately to each **Insured** against whom a **claim** is made.

U. Transfer of Interest

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Assignment of interest under this policy shall not bind the Insurer unless its consent is endorsed hereon.

V. Unintentional Omission

Based on Insurer's reliance on the **Named Insured's** representations as to existing hazards, if the **Named Insured** should unintentionally fail to disclose all such hazards at the effective date of this Policy, the Insurer will not deny coverage under this Policy because of such failure.

W. Waiver of Rights of Recovery

The Insurer waives any right of recovery it may have against any person or organization because of payments the Insurer makes under this Policy if the **Named Insured** has agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. is in effect or becomes effective during the **policy period**; and
2. was executed prior to loss.

VII. DEFINITIONS

For purposes of this Policy, words in bold face type, whether expressed in the singular or the plural, have the meaning set forth below.

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the **Named Insured's** goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- A. notices that are published include material placed on the Internet or on similar electronic means of communication; and
- B. regarding web-sites, only that part of a web-site that is about the **Named Insured's** goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.

Aircraft means any machine or device that is capable of atmospheric flight.

Arbitration proceeding means a formal alternative dispute resolution proceeding or administrative hearing to which an **Insured** is required to submit by statute or court rule or to which an **Insured** has submitted with the Insurer's consent.

Asbestos means the mineral in any form whether or not the asbestos was at any time airborne as a fiber, particle or dust, contained in or formed a part of a product, structure or other real or personal property, carried on clothing, inhaled or ingested, or transmitted by any other means.

Authorized Insured means any **executive officer**, member of the **Named Insured's** risk management or in-house general counsel's office, or any **employee** authorized by the **Named Insured** to give or receive notice of a **claim**.

Auto means:

- A. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- B. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, **auto** does not include **mobile equipment**.

Bodily injury means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the bodily injury, sickness or disease.

Claim means a:

- A. suit; or

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- B.** written or oral demand for **damages** alleging injury to which this insurance applies.

Coverage territory means:

- A.** the United States of America (including its territories and possessions), Puerto Rico and Canada;
- B.** international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph **A.** above; or
- C.** all other parts of the world if the injury or damage arises out of:
 - 1. goods or products made or sold by the **Named Insured** in the territory described in paragraph **A.** above;
 - 2. the activities of a natural person whose home is in the territory described in paragraph **A.** above, but is away for a short time on the **Named Insured's** business; or
 - 3. an offense that take place through the Internet or similar electronic means of communication, provided that the **Insured's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in paragraph **A.** above or in a settlement the Insurer agrees to.

Covered accident means a sudden and unexpected event, which solely and independently of any other cause results in the **key employee's** death or **permanent disability** within one year after the date of the sudden event.

Crisis management event means an event that an **executive officer** reasonably believes has resulted or may result in significant adverse regional or national media coverage and a claim for:

- A. bodily injury, property damage** or any of the following **personal and advertising injury** offenses:
 - 1. false arrest, detention or imprisonment;
 - 2. malicious prosecution or abuse of process; or
 - 3. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor; and
- B. damages** to which this insurance applies, that are in excess of any applicable:
 - 1. **underlying limits**; or
 - 2. **retained amount.**

Crisis management expenses means **crisis management public relations expenses** and **crisis management other expenses** provided however **crisis management expenses** do not include any of the following:

- A.** salary, wages, or benefits of the **Named Insured** or the **Named Insured's employees**;
- B.** loss of business income;
- C.** costs to acquire, repair or replace real or personal property; or
- D.** expense to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by a **Named Insured.**

Crisis management public relations expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A.** to hire a **crisis management firm**;
 - B.** to set up call centers or similar inquiry management system to manage inquiries from, or to directly contact, individuals or entities that may be directly impacted by such **crisis management event**;
- to create and deliver notification letters to contact individuals or entities that may be directly impacted



by the **crisis management event**; or

- D. other related miscellaneous expenses.

Crisis management other expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to pay medical expenses, funeral expenses, psychological counseling expenses, travel expenses, and temporary living expenses of a third party who incurs **bodily injury**, or a family member of such third party, by reason of such **crisis management event**;
- B. for travel expenses incurred by or on behalf of **Insureds** and at the direction of the **crisis management firm**;
- C. to secure the scene of a **crisis management event**; and
- D. other related miscellaneous expenses.

Crisis management firm means a public relations firm, law firm or crisis management firm approved by the Insurer to provide media management services and to respond to actual or anticipated adverse publicity arising out of a **crisis management event** or **covered accident**.

Damages means the amount an **Insured** is legally obligated to pay, either through:

- A. final adjudication of a **claim**; or
- B. through compromise or settlement of a **claim** with the Insurer's written consent or direction, because of covered **incidents**. In addition, **damages** includes the above-mentioned sums only after deducting all other recoveries and salvages.

However, **damages** does not include:

- 1. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
- 2. injunctive or declaratory relief;
- 3. any amount that is not insurable under any applicable law; or
- 4. plaintiff's attorney fees associated with any of the above.

Notwithstanding paragraph 3. above, **damages** shall include (subject always to this Policy's other terms, conditions and limitations) punitive and exemplary damages the enforceability of which shall be governed by such applicable law that most favors coverage for **damages**.

Defense costs mean:

- A. reasonable and necessary fees, costs, and expenses incurred by the Insurer or consented to by the Insurer and incurred by the **Named Insured** in the defense or appeal of a covered **suit** or in the investigation of any covered **claim**, and includes premium for appeal bonds arising out of a covered judgment, attachment bonds or similar bonds, but only for bond amounts up to the applicable limit of insurance. In addition, the Insurer will pay up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which **bodily injury** coverage applies. The Insurer has no obligation to provide such bonds.

- B. prejudgment interest awarded against an **Insured** on that part of a judgment covered by this policy. If the Insurer makes an offer to pay the applicable limit of insurance, the Insurer will not pay any prejudgment interest based on that period of time after the offer.

- C. post judgment interest which accrues after entry of judgment, but before the Insurer has paid or offered to pay, or deposited in court that part of the judgment which is within the limit of insurance of this Policy. The amount of interest the Insurer pays will be in direct proportion to the amount of **damages**



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the Insurer pays in relation to the total amount of the judgment.

- D. all reasonable expenses incurred by a natural person **Insured** at the Insurer's request to assist the Insurer in the investigation or defense of the **claim**. This includes such **Insured's** actual loss of earnings up to \$750 per day, because of time off from work.
- E. all court costs taxed against the **Insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.

Electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Employee includes **leased workers** or employees loaned to the **Insured**. **Temporary workers** are not **employees**.

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

- A. director, officer, trustee or governor of a corporation;
- B. management committee member of a joint venture;
- C. partner of a partnership;
- D. manager of a limited liability company; and
- E. trustee of a trust.

An **executive officer** is not an **employee**.

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations of this Policy.

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. However, **fungi** does not include any fungi intended by the **Insured** for human consumption.

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Impaired property means tangible property, other than **your product** or **your work** that cannot be used or is less useful because:

- A. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- B. the **Named Insured** has failed to fulfill the terms of a contract or agreement,

if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work**; or the **Named Insured's** fulfilling the terms of the contract or agreement.

Incident means:

- A. with respect to **Coverage A - Excess Follow Form Liability**, a covered event as defined in applicable **underlying insurance**;
- B. solely with respect to **Coverage B - Umbrella Liability**:
 - 1. with respect to **bodily injury** and **property damage**, **incident** means an **occurrence**; or
- C. 2. with respect to **personal and advertising injury**, **incident** means an offense that gives rise to such **personal and advertising injury**.



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Insured means any person or organization set forth in the section entitled **WHO IS AN INSURED**.

Insured contract means:

- A. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner is not an **insured contract**;
- B. a sidetrack agreement;
- C. an easement or license agreement; except in connection with construction or demolition operations on or within 50 feet of a railroad;
- D. an obligation, as required by ordinance, to indemnify a municipality except in connection with work for a municipality;
- E. an elevator maintenance agreement; or
- F. the part of any other contract or agreement pertaining to its business (including an indemnification of a municipality in connection with work performed for a municipality) under which the **Named Insured** assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization, provided the **bodily injury** or **property damage** is caused, in whole or in part, by the **Named Insured** or by those acting on its behalf. However, such part of a contract or agreement shall only be considered an **insured contract** to the extent the **Named Insured's** assumption of the tort liability is permitted by law. "Tort liability" means liability that would be imposed by law in the absence of contracts or agreements. This paragraph F. does not include that part of a contract or agreement:
 - 1. that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - 2. that indemnifies an architect, engineer or surveyor for **bodily injury** or **property damage** arising out of:
 - a preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b giving directions or instructions, or failing to give them, if that is the primary cause of the **bodily injury** or **property damage**;
 - 3. under which an **Insured**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of such **Insured's** rendering or failure to render professional services, including those listed in paragraph 2. above and supervisory, inspection, architectural or engineering activities; or
 - 4. that indemnifies a person or organization for damage by fire to premises rented to or loaned to an **Insured**.

Key employee means any of the following officer and employment positions:

- A. Chief Executive Officer;
- B. Chief Operating Officer;
- C. Chief Financial Officer;
- D. Corporate Secretary;
- E. Treasurer;
- F. Executive Vice President; and

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G. Risk Manager

Key employee also means anyone added as such by endorsement to the Policy.

Key employee replacement expenses means the actual and necessary expenses incurred by the **Named Insured**:

- A. to continue the performance of the **key employee's** normal job responsibilities, with comparable quality, while a permanent replacement for the **key employee** is being sought, appointed or hired, and trained.
- B. to find a qualified permanent replacement to fill the **key employee's** position:
 1. costs of advertising the employment position opening;
 2. travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 3. miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the job applicants and legal expenses incurred to draw up employment contracts.
- C. to minimize the amount of **key employee replacement expenses**, but only to the extent the amount of **key employee replacement expenses** otherwise payable under paragraphs 1. and 2. above are reduced.
- D. to relocate the replacement employee to an area within a reasonable commute from their place of employment.
- E. to pay the following reasonable and necessary expenses incurred in connection with the death or permanent disability of any **key employee**:
 1. to hire a **crisis management firm**.
 2. to create and deliver notification letters to contact individuals or entities that may be directly impacted by the **key employee covered accident**; or
 3. other related miscellaneous expenses
- F. **Key employee replacement expenses** also include first year amounts of the replacement employee's:
 1. annual base starting salary;
 2. employee perquisite costs; and
 3. employee benefit costs;

in excess of the amounts which would have been incurred for the **key employee** if the **Named Insured** had not lost the services of the **key employee**. However, the Insurer will not pay more for these expenses than 10% of the amounts which would have been incurred for the **key employee**.

Key employee replacement expenses do not include the following:

- a. any expenses which would have been incurred by the **Named Insured** for the **key employee** if the **Named Insured** had not lost the services of the **key employee**;
- b. any **key employee replacement expenses** that are paid for by any **other insurance**;
- c. except as provided in paragraph F. above, salary, wages, or benefits of the **Named Insured**, the **Named Insured's employees**, the **Named Insured's temporary workers** or **volunteer workers**;
- d. costs to acquire, repair or replace real or personal property;
- e. the **Named Insured's** loss of business income;
- f. expenses incurred by or on behalf of the **Named Insured** to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by the **Named Insured**; and



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- g.** expenses incurred by or on behalf of the **Named Insured** due to **bodily injury, property damage, or personal and advertising injury**.

Leased worker means a person leased to the **Named Insured** by a labor leasing firm under an agreement between the **Named Insured** and such labor leasing firm, to perform duties related to the conduct of the **Named Insured's** business. **Leased worker** does not include a **temporary worker**.

Loading or unloading means the handling of property:

- A.** after it is moved from the place where it is accepted for movement into or onto an **aircraft, watercraft or auto**;
- B.** while it is in or on an **aircraft, watercraft or auto**; or
- C.** while it is being moved from an **aircraft, watercraft or auto** to the place where it is finally delivered.

However, **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **aircraft, watercraft or auto**.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- A.** bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- B.** vehicles maintained for use solely on or next to premises the **Named Insured** owns or rents;
- C.** vehicles that travel on crawler treads;
- D.** vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1.** power cranes, shovels, loaders, diggers or drills; or
 - 2.** road construction or resurfacing equipment such as graders, scrapers or rollers;
- E.** vehicles not described in **A., B., C.** or **D.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1.** air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - 2.** cherry pickers and similar devices used to raise or lower workers; and
- F.** vehicles not described in **A., B., C.** or **D.** above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - 1.** equipment designed primarily for:
 - a.** snow removal;
 - b.** road maintenance, but not construction or resurfacing; or
 - c.** street cleaning;
 - 2.** cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - 3.** air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, **mobile equipment** does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are



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considered autos.

Named Insured means the persons or organizations named as such in the Declarations of this Policy.

Nuclear facility means:

- A. any **nuclear reactor**;
- B. any equipment or device designed or used for:
 - 1. separating the isotopes of uranium or plutonium;
 - 2. processing or utilizing **spent fuel**; or
 - 3. handling, processing or packaging **nuclear waste**;
- C. any equipment or device used for the processing, fabricating or alloying of special **nuclear material** if at any time the total amount of such material in the custody of any **Insured** at the premises where such equipment is located consists of or contains more than:
 - 1. 25 grams of plutonium or uranium 233 or any combination thereof; or
 - 2. 250 grams of uranium 235; and
- D. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear material means source material, special nuclear material, or by-product material as these terms are defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear reactor means an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Waste means waste material:

- A. containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material (as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof) content; and
- B. resulting from the operation by any person or organization, of a **nuclear facility** included within paragraphs A. and B. of the definition of **nuclear facility**.

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Other insurance means any:

- A. valid and collectible policy of insurance;
- B. self insurance; or
- C. indemnity agreement by which an **Insured** arranges for funding or transferring its liabilities

that provides coverage that this Policy also provides. **Other insurance** does not include **underlying insurance** or any policy that was bought specifically to apply in excess of the limits of insurance shown in the Declarations of this Policy.

Other organic pathogens means any organic irritant or contaminant other than **fungi**, including but not limited to bacteria, microbes and viruses (whether or not a microorganism), that cause infection and disease.

Other organic pathogens includes any spores, mycotoxins, odors, variants, mutations, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of such

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pathogens, and any colony or group of the foregoing.

However, **other organic pathogens** does not mean pathogens that were transmitted directly from person to person.

Permanent disability means permanent physical inability, or mental inability due to a permanent physical inability, of the **key employee** to perform the normal duties of the applicable position for which the individual qualifies as a **key employee**.

Personal and advertising injury means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution or abuse of process;
- C. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor;
- D. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E. oral or written publication, in any manner, of material that violates a person's right of privacy;
- F. the use of another's advertising idea in the **Named Insured's advertisement**; or
- G. infringing upon another's copyright, trade dress or slogan in the **Named Insured's advertisement**.

Policy period means the time from 12.01 A.M. on the effective date of this Policy as set forth in the Declarations of this Policy to the earlier of 12.01 A.M. of the expiration, termination or cancellation date of this Policy.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes medical waste and materials to be recycled, reconditioned or reclaimed.

Products-completed operations hazard means **bodily injury** or **property damage** occurring away from premises the **Named Insured** owns or rents and arising out of **your product** or **your work** except:

- A. products that are still in the **Named Insured's** physical possession; or
- B. work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 1. when all of the work called for in the **Named Insured's** contract has been completed;
 2. when all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or
 3. when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

However, **products-completed operations hazard** does not include **bodily injury** or **property damage** arising out of:

- A. the transportation of property, unless **bodily injury** or **property damage** arises out of a condition in or on a vehicle not owned or operated by the **Named Insured**, and that condition was created by the **loading or unloading** of that vehicle by any **Insured**;
- B. the existence of tools, uninstalled equipment or abandoned or unused materials; or



CNA Paramount Excess and Umbrella Liability Policy

- C. products or operations for which the **underlying insurer** states that products-completed operations are subject to the General Aggregate Limit.

Property damage means:

- A. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **incident** that caused it.

However, **electronic data** is not tangible property.

Retained amount means the self insured retention as set forth on the Declarations of this Policy or the amount payable by **other insurance**, whichever is greater.

Silica means the chemical compound silicon dioxide (SiO₂) in any form, including dust which contains silicon dioxide.

Spouse means any husband, wife or partner in a marriage or civil union or any person qualifying as a domestic partner under any federal, state or local laws or under the **Named Insured's** employee benefit plans or employee benefits program.

Sub limit means a limit that is lower than the **underlying limits**.

Suit means a civil proceeding in which **damages** because of injury or damage to which this insurance applies are alleged, including:

- A. an **arbitration proceeding** alleging such **damages**; or
- B. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with the Insurer's consent.

Temporary worker means a worker who is furnished to the **Named Insured** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Underlying insurance means policies of insurance listed in the Schedule of **Underlying Insurance** including renewal or replacement of such insurance which is neither more restrictive nor more broad than that listed in the aforementioned Schedule of **Underlying Insurance**.

Underlying insurer means the insurer providing the **underlying insurance**. It does not include any insurer whose policies were purchased specifically to be in excess of this policy.

Underlying limits means the limits of insurance as set forth in the Schedule of **Underlying Insurance**.

Volunteer worker means a person who is not an **employee** and who donates his or her work and acts at the direction of or within the scope of duties determined by the **Named Insured** and is not paid a fee, salary or other compensation by the **Named Insured** or anyone else for their work performed for the **Insured**.

Your product means:

- A. means:
 - 1. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. the **Named Insured**;
 - b. others trading under the **Named Insured's** name; or
 - c. a person or organization whose business or assets the **Named Insured** has acquired; and
 - 2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Form No: CNA75504XX (03-2015)

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Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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**CNA Paramount Excess and Umbrella Liability
Policy**

B. includes:

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
2. The providing of or failure to provide warnings or instructions.

C. does not include vending machines or other property rented to or located for the use of others but not sold.

Your work:

A. means:

1. work or operations performed by the **Named Insured** or on its behalf; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. Includes:

1. warranties or representations made with respect to the fitness, quality, durability, performance or use of **your work**, and
2. the providing of or failure to provide warnings or instructions.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by the Insurer's Chairman and Secretary, but this Policy shall not be binding upon the Insurer unless completed by the attachment of the Declarations of this Policy and signed by the Insurer's duly authorized representative if required.

A handwritten signature in black ink, appearing to be "J. M. [unclear]".

Chairman of the Board

A handwritten signature in black ink, appearing to be "S. B. [unclear]".

Secretary



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

CANCELLATION AND NON-RENEWAL ENDORSEMENT – NEW JERSEY

Wherever used in this endorsement: 1) Insurer means “we”, “us”, “our” or the “Company” as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) “Insureds” means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL

I. CANCELLATION

- A. The first Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
- B. The Insurer may cancel the policy at any time and for any reason within the first sixty (60) days. The Insurer will mail or deliver written notice of cancellation at least ten (10) days prior to the effective of such cancellation if cancellation is for nonpayment or existence of a moral hazard as defined by NJAC 11:1-20.2(f) and thirty (30) days if for any other reason.
- C. If the policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:
 1. May be canceled for any underwriting reason set forth in our underwriting guidelines which were in effect at the policy inception. The underwriting guidelines must not be arbitrary, capricious or unfairly discriminatory.
 2. The following text sets forth certain approved reasons for midterm cancellations as approved guidelines. While an Insurer may issue other guidelines, it appears that an Insurer should limit its guidelines for midterm cancellation to those the Department has approved to avoid the possibility that the Department might rescind a cancellation.
 3. All underwriting reasons or guidelines utilized by the Insurer to cancel or non-renew the policy will be maintained by Insurer in writing and will be available to the Named insured or the Named Insured’s lawful representatives upon written request.
 4. Only those guidelines which are in effect at the inception of the original policy or any renewal thereof, as applicable, may be utilized to cancel during the policy period.
 5. The following guidelines are approved for use:
 - a. Non-payment of premium;
 - b. Moral hazard, which is defined as:
 - i. The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a “moral hazard;” and
 - ii. The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability which we will be held responsible. Any change in the character or circumstances of an individual, corporate,

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement No: 1; Page: 1 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

partnership or other insured that will increase probability of such a loss or liability may be considered a "moral hazard."

- c. Material misrepresentation or non-disclosure of material fact.
- d. Increased hazard or material change in the risk by the parties at inception of coverage.
- e. Substantial breaches of policy provisions that materially affect the nature and/or insurability of the risk.
- f. Lack of cooperation on loss control matters which materially affect insurability.
- g. Fraudulent acts which materially affects the risk.
- h. Loss of or reduction in available insurance capacity. This is an acceptable reason for cancellation only if the following exists:
 - i. an insurance department has declared insured to be financially impaired.
 - ii. substantial reductions in reinsurance or other changes which prohibit us from providing coverage at the same limits and terms as the existing policy; or
 - iii. an insurance department has issued an order indicating impaired financial condition of the reinsurer which may adversely affect the reinsurer's ability to meet its obligations.
- i. Failure of the Insured to comply with any federal, state or local fire, health, safety, building or construction regulation, law or ordinance which substantially increases any hazard insured against. The Insured has sixty (60) days to correct.
- j. Failure by the Insured to provide reasonable and necessary underwriting information to us upon written request and a reasonable time to respond.
- k. Agency termination, provided:
 - i. It is documented that replacement coverage at comparable rates and terms has been provided to the Insured, and the Insured has been informed, in writing of his or her right to continue coverage; or
 - ii. the Insured has agreed in writing to the cancellation based upon the termination of the agent.

The Insurer will mail notice of cancellation to the Named Insured not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, notice of cancellation will be mailed at least ten (10) days prior to the effective date of such cancellation.

- D. All notices of cancellation will state the reason for cancellation.
- E. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 1; Page: 2 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

III. NON-RENEWAL

- A.** The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured, at the last mailing address known to the Insurer, not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of non-renewal. The notice will be sent by certified mail or by first class mail, if a date stamped proof of mailing has been obtained from the post office.
- B.** Like notice of non-renewal will state the actual reason for non-renewal.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement No: 1; Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the:

- A.** PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or
- B.** PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

is amended by the addition of the following new exclusion:

Professional Services

any liability arising out of the actual or alleged rendering of, or failure to render, any professional services by the **Insured** or any other person for whose acts the **Insured** is legally responsible.

- II.** If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS** is amended by the addition of the exclusion set forth in paragraph **I.** above, except that the bolded word “**Insured**” is deleted in its entirety and replaced with “insured.”

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75518XX (03-2015)

Endorsement Effective Date:

Endorsement No: 2; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**
CHANGES – NOTICE OF CANCELLATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

- I. In the event of cancellation of this coverage during the **policy period** for a reason other than nonpayment of premium, the Insurer agrees to mail prior written notice of cancellation to:

| SCHEDULE | | |
|------------|------------|--------------------------------|
| Name | Address | Number of Days Advanced Notice |
| [REDACTED] | [REDACTED] | 30 |
| [REDACTED] | [REDACTED] | 30 |

- II. If this Endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the bolded term "**policy period**" is deleted in its entirety and replaced with the term "policy period".

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75525XX (03-2015)

Endorsement Effective Date:

Endorsement No: 3; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that the section entitled **EXCLUSIONS** is amended as follows:

- A.** The subsection entitled **Coverage B – Umbrella Liability Coverage Exclusions**, the exclusion entitled **Employee Injury** is deleted in its entirety; and
- B.** The subsection entitled **Coverage A Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions** is amended by the addition of the following new exclusion:

Employee Injury

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a.** an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b.** the **spouse**, child, parent, brother or sister of that **employee** as a consequence of **a.** above.

This exclusion applies:

- i.** whether an **Insured** may be liable as an employer or in any other capacity; and
- ii.** to any obligation to share damages with or repay someone else who must pay damages because of the injury.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75576XX (03-2015)

Endorsement Effective Date:

Endorsement No: 4; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed as follows:

If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage B – Umbrella Liability Coverage Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**,

it is amended with the addition of the following new exclusion:

Underlying Insurance Coverage Limitation

Notwithstanding anything to the contrary, this policy does not provide broader coverage than that which is provided by any **underlying insurance**.

In the event of any difference between:

- a. exclusions, restrictions, limiting terms or conditions in this policy and
 - b. exclusions, restrictions, limiting terms or conditions in the **underlying insurance**;
- addressing the same general risk or hazard, then the more restrictive provision shall apply.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76492XX (03-2015)

Endorsement Effective Date:

Endorsement No: 5; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

Policy No: CUE 6056872810

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT – NEW JERSEY

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability Exclusions** and the section entitled **Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

the exclusion entitled **Pollution** is amended by the addition of the following:

For premises constructed on or after 1978, or premises constructed prior to 1978 which have been certified, prior to the **policy period**, as being free of existing lead hazards pursuant to standards established by the Department of Community Affairs, this exclusion does not apply to **bodily injury** arising out of lead contamination, or out of the inhalation, ingestion, use, handling or contact with lead paint at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**.

This provision will also apply to any premises constructed prior to 1978 which receives such certification during the **policy period**, but only for **bodily injury** which occurs after such certification.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76597NJ (03-2015)

Endorsement Effective Date:

Endorsement No: 6; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2019

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

AMENDMENT TO NAMED INSURED

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that:

1. The section entitled WHO IS AN INSURED is amended as follows:
 - a. Paragraph A. is deleted and replaced by the following:
 - A. With respect to Coverage A – Excess Follow Form Liability:
 - (1) Any person or organization that is a Named Insured under the provisions of **underlying insurance** shall be considered a **Named Insured** under Coverage A Excess Follow Form Liability;
 - (2) Any person or organization included as an insured under the provisions of **underlying insurance** is an **Insured** under Coverage A – Excess Follow Form Liability;

but only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.
 - a. Paragraph B. is amended to add the following as **Named Insureds** under Coverage B – Umbrella Liability:

Entities that are named insureds under the provisions of **underlying insurance**, but only while a **Named Insured** has management control over the entity during the **policy period**, subject to the following:

 - (1) the coverage provided by this insurance to such an entity does not apply to:
 - (a) **bodily injury or property damage** that occurred; or
 - (b) **personal and advertising injury** caused by an **incident** first committed;

before a **Named Insured** has management control or after a **Named Insured** ceases to have management control; and
 - (1) no person or organization is a **Named Insured**:
 - (a) with respect to the conduct of any current, past or newly formed partnership, limited liability company or joint venture that is not covered by this endorsement as a **Named Insured**; or
 - (b) if the person or organization is excluded by another endorsement attached to this policy.

For the purpose of this provision, management control means a **Named Insured**:

 - has more than 50% ownership interest in the entity, directly or indirectly; or
 - exercises management or financial control over the entity.
- a. Paragraph C. is deleted and replaced by the following:
 - C. With respect to Coverage C – Crisis Event Management and Coverage D – Key Employee, any entity that qualifies as a **Named Insured** under Coverage A or Coverage B also qualifies as a **Named Insured** under Coverage C and Coverage D.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement No: 7; Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

2. The section entitled **DEFINITIONS** is amended to delete the definition of **Named Insured** and replace it with the following:

Named Insured means the persons or organizations named as such in the Declarations, and any other organization qualifying as a **Named Insured** in the Section entitled WHO IS AN INSURED.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

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GROUP EXHIBIT F-4



CNA Paramount Excess and Umbrella Liability

Insured Name

SESI CONSULTING ENGINEERS
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Producer Information

USI INSURANCE SERVICES, LLC
180 PARK AVE 1ST FL
FLORHAM PARK, NJ 07932-1054

Policy Number

CUE 6056872810

Producer Processing Code

190-070108

Policy Period

12/23/2020 to 12/23/2021

CNA Branch

NEW JERSEY
184 Liberty Corner Road
Suite 402
Warren, NJ 07059

Thank you for choosing CNA!

With your CNA Paramount Excess and Umbrella Liability policy, you have insurance coverage tailored to meet the needs of your business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services

To file a claim contact us at:

Email: HPReports@CNA.com
Fax#: 800-446-8632
Phone Number: 866-909-5343
Mailing Address: Middle Market
CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Crisis Management Expenses

- Crisis Management Limit is first dollar, in addition to the policy limit, and is available for all covered expenses, with no sublimit for Public Relations expense

The following are suggested Crisis Management firms:

| <u>Website</u> | <u>Contact</u> | |
|---|--|--|
| www.ogilvypr.com | Ogilvy Public Relations Mike Sacks michael.sacks@ogilvy.com | Phone: (312) 397-6094 |
| http://levick.com | Levick Megan Gabriel mgabriel@levick.com Michael Rubin mrubin2@levick.com | Phone: (202) 973-5308 Phone: (202) 808-3507 |
| http://fleishmanhillard.com | Fleishman-Hillard Marianna Deal marianna.deal@fleishman.com Ken Fields ken.fields@fleishman.com | Phone: (314) 982-9112 Phone: (314) 982-0556 |



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6

INSURED

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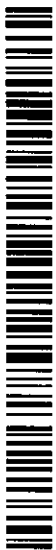


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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

POLICYHOLDER NOTICE - NEW JERSEY PLIGA SURCHARGE

IMPORTANT INFORMATION

"PLIGA" SURCHARGE FOR OUR NEW JERSEY COMMERCIAL LINES POLICYHOLDERS

Your policy premium includes a New Jersey Property - Liability Insurance Guaranty Association (PLIGA) surcharge. PLIGA protects consumers from insurance company insolvencies. The cost of this guaranty fund is assessed to all insurance companies in New Jersey; and in compliance with Department of Insurance Order No. A18-105, it is passed along to individual consumers via this surcharge.

The surcharge is 0.60% of your premium for all property/liability coverage except for life insurance, accident and health insurance, workers' compensation insurance, title insurance, annuities, surety bonds, credit insurance, mortgage guaranty insurance, municipal bond coverage, fidelity insurance, investment return assurance, ocean marine insurance, and pet health insurance.

For purposes of this surcharge and in compliance with New Jersey Insurance Department Regulation N.J.S.A. 17:30A-8a (3), the declarations page of this policy is the "premium bill."

If you have questions about the New Jersey - Liability Insurance Guaranty Association or this surcharge, please contact your independent CNA agent.

Form No: CNA62848NJ (02-2020)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

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CNA Paramount Excess and Umbrella Liability Policyholder Notice

NOTICE - OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

IMPORTANT INFORMATION

NOTICE - OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Program Year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Form No: CNA75532XX (01-2015)

Policyholder Notice Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 7 of 68





**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.

Form No: CNA75532XX (01-2015)

Policyholder Notice Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 8 of 68



CNA Paramount Excess and Umbrella Liability Policyholder Notice

POLICYHOLDER NOTICE - OFAC REQUIREMENTS

POLICYHOLDER NOTICE

CNA Commercial Insurance
CNA Plaza 38S-420
Chicago, IL 60685-0001

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Form No: CNA76614XX (03-2015)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 9 of 68



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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

POLICY LIMITATION DISCLOSURE NOTICE

This Disclosure Notice is not your policy. READ YOUR POLICY CAREFULLY to determine rights, duties, and what is and is not covered. Only the provisions of your policy determine the extent of your insurance protection.

This policy contains exclusions relating to asbestos and silica. As stated in the exclusions, the policy does not provide any coverage for liability arising out of the presence of or exposure to asbestos or silica.

6

INSURED

40020070108250001223062750136



Form No: CNA76626XX (07-2016)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 11 of 68

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**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
POLICY DECLARATIONS
Named Insured and Mailing Address

Named Insured:
SESI CONSULTING ENGINEERS

Mailing Address:
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Policy Information

Policy Number: 6056872810
Renewal of: 6056872810
Insurer's Name and Address:
The Continental Insurance Company
151 N Franklin St
Chicago, IL 60606

Producer Information

Producer:
USI INSURANCE SERVICES, LLC
180 PARK AVE 1ST FL
FLORHAM PARK, NJ 07932-1054
Producer Code: 190-070108

Policy Period

12/23/2020 to 12/23/2021 at 12:01 a.m. Standard Time at your mailing address.

Limits of Insurance

| | |
|--|-------------|
| Each Incident Limit | \$5,000,000 |
| Aggregate Limit | \$5,000,000 |
| Aggregate Products-Completed Operations Hazard Limit | \$5,000,000 |
| Policy Aggregate Limit | N/A |
| Crisis Management Expenses Aggregate Limit | \$300,000 |
| Key Employee Replacement Expenses Aggregate Limit | \$100,000 |

Self-Insured Retention

| | |
|------------------------|----------|
| Self-Insured Retention | \$10,000 |
|------------------------|----------|

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 1 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 13 of 68




**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
Schedule of Underlying Insurance
Underlying Insurer
Policy Number
Policy Period
Note:
Underlying Insurance
Coverages
Limits of Insurance

 Continental Casualty
Company

General Liability

Each Occurrence Limit

\$1,000,000

6056872807

General Aggregate Limit

\$2,000,000

12/23/2020 to

Per Location : yes

12/23/2021

Per Project : yes

 Products/ Completed Operations
Aggregate Limit

\$2,000,000

 Personal and Advertising Injury
Liability Limit

\$1,000,000

 American Casualty
Company of Reading,
Pennsylvania

Auto Liability

Combined Single Limit

\$1,000,000

6056872791

12/23/2020 to

12/23/2021

 CHUBB
GROUP-INDEMNITY INS
CO. OF NORTH AMERICA

Employers Liability

 Bodily Injury by Accident- Each
Accident Limit

\$1,000,000

RWC C66819607

 Bodily Injury by Disease - Policy
Limit

\$1,000,000

10/01/2020 to

 Bodily Injury by Disease - Each
Employee Limit

10/01/2021

\$1,000,000

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 2 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 14 of 68


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
Underlying Insurer
Policy Number
Policy Period
Note:

 Continental Casualty
Company

6056872807

 12/23/2020 to
12/23/2021

Underlying Insurance

 Employee Benefits
Liability

Coverages

 Each Employee Limit
Aggregate Limit

Limits of Insurance

\$1,000,000

\$1,000,000

Forms and Endorsements Attached to this Policy

See SCHEDULE OF FORMS AND ENDORSEMENTS

Premium

Minimum Earned Premium

0% of the Total Premium

Total Premium

 Premium includes the following amount for Certified Acts of
Terrorism Coverage

 New Jersey Property & Liability Insurance Guaranty
Association Surcharge

Notices

Notice to insurer

Address:

 CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Fax #:

800-446-8632

Email Address:

HPReports@CNA.com

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 15 of 68



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**CNA Paramount Excess and Umbrella Liability
Policy Schedule**
SCHEDULE OF FORMS AND ENDORSEMENTS

| Endorsement Number | Form Name | Form Number | Form Edition Date |
|-----------------------|---|-------------|----------------------|
| 1 | CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY | CNA62814NJ | 09-2012 |
| 2 | PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT | CNA75518XX | 03-2015 |
| 3 | CHANGES - NOTICE OF CANCELLATION ENDORSEMENT | CNA75525XX | 03-2015 |
| 4 | EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT | CNA75576XX | 03-2015 |
| 5 | UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT | CNA76492XX | 03-2015 |
| 6 | COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT NEW JERSEY | CNA76597NJ | 03-2015 |
| 7 | AMENDMENT TO NAMED INSURED | CNA88301XX | 08-2017 |
| | POLICYHOLDER NOTICE - NEW JERSEY PLIGA SURCHARGE | CNA62848NJ | 02-2020 |
| | POLICY DECLARATIONS | CNA75501XX | 03-2015 |
| | NOTICE - OFFER OF TERRORISM COVERAGE, DISCLOSURE OF PREMIUM | CNA75532XX | 01-2015 |
| | PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY | CNA75504XX | 03-2015 |
| | POLICYHOLDER NOTICE OFAC REQUIREMENTS | CNA76614XX | 03-2015 |
| | POLICY LIMITATION DISCLOSURE NOTICE | CNA76626XX | 07-2016 |
| | PAYMENT PLAN SCHEDULE | CNA84401XX | 12-2015 |

Form No: CNA62640XX (09-2012)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

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**CNA Paramount Excess and Umbrella Liability
Policy Schedule**

PAYMENT PLAN SCHEDULE

PAYMENT PLAN SCHEDULE

THE BILLING FOR THIS POLICY WILL BE FORWARDED TO YOU DIRECTLY FROM CNA.

THIS PREMIUM WILL BE INVOICED BY CNA ON A SEPARATE STATEMENT ACCORDING TO THE PAYMENT
OPTION YOU SELECT.

The premium amount for this transaction is:



6

INSURED

400200701082500001223082750140



Form No: CNA84401XX (12-2015)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 19 of 68

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CNA Paramount Excess and Umbrella Liability Policy

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

The "Insurer" refers to the insurer providing this insurance as set forth on the Declarations of this Policy. Words and phrases that appear in **bold** have special meaning. Refer to the section entitled **DEFINITIONS**.

I. COVERAGES

A. Coverage A - Excess Follow Form Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the applicable **underlying limits**. Coverage hereunder will attach only after the full amount of the applicable **underlying limits** have been exhausted through payment in legal currency of covered loss under all applicable **underlying insurance** and to which this Coverage A applies.

Coverage A under this Policy will then apply in conformance with the provisions of the applicable **underlying insurance** except for the premium, limits of insurance, deductible, retentions, or any defense obligations and any other terms and conditions specifically set forth in this Policy.

Upon exhaustion of the applicable **underlying limits**, the Insurer shall only pay for **damages** in excess of the applicable **underlying limits**. This Coverage A does not provide coverage for any loss not covered by the applicable **underlying insurance** except and to the extent that such loss is not paid under the applicable **underlying insurance** solely by reason of the exhaustion of the applicable **underlying limits** through payment of loss thereunder.

This Coverage applies:

1. if the applicable **underlying insurance** is on an occurrence basis, then only if that which must take place in the policy period of the **underlying insurance** in order to trigger coverage, takes place during this **policy period**; and
2. if the applicable **underlying insurance** is on a claims made basis, then only if:
 - a. that which must take place in the **underlying insurance** in order to trigger coverage, takes place after the retroactive date and prior to the end of the **policy period**; and
 - b. the **claim** is first made during the **policy period**.

B. Coverage B - Umbrella Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the **retained amount**:

1. that an **Insured** becomes legally obligated to pay because of **bodily injury, property damage or personal and advertising injury**; or
2. because of liability for **bodily injury or property damage** assumed under an **insured contract**, provided the **bodily injury or property damage** occurs subsequent to the execution of such **insured contract**;

and provided that:

- a. the **bodily injury or property damage** occurs during the **policy period**;
- b. the **bodily injury or property damage** is caused by an **occurrence** that takes place in the **coverage territory**;

Form No: CNA75504XX (03-2015)

Policy Page: 1 of 32

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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Policy Effective Date: 12/23/2020

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CNA Paramount Excess and Umbrella Liability Policy

- c. the **personal and advertising injury** is caused by an offense arising out of the **Named Insured's** business; and
- d. the offense giving rise to **personal and advertising injury** was first committed during the **policy period** and in the **coverage territory**;

Provided, however, that **Coverage B - Umbrella Liability**:

- i. does not apply to:
 - (a) any part of **damages** to which **underlying insurance** applies; or
 - (b) any part of **damages** to which **underlying insurance** would have applied regardless of:
 - (1) the availability of **underlying insurance**; or
 - (2) the exhaustion of the applicable **underlying limits**;
 - (c) any **defense costs** related to **damages** as described in a. and b. above.
- ii. applies only if prior to the effective date of the **policy period**, no **authorized insured**:
 - (a) knew that such **bodily injury** or **property damage** had occurred, in whole or in part. If any **authorized insured** knew, prior to the **policy period**, that any such **bodily injury** or **property damage** had occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**; or
 - (b) knew that any offense giving rise to **personal and advertising injury** had occurred, in whole or in part.

Bodily injury or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any **authorized insured**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

An **authorized insured** will be deemed to know:

1. that such **bodily injury** or **property damage** occurred, at the earliest time when such **authorized insured**:
 - a. reports the **bodily injury** or **property damage** to the Insurer or any other insurer;
 - b. receives a **claim** arising out of the **bodily injury** or **property damage**; or
 - c. becomes aware by any other means that the **bodily injury** or **property damage** has occurred or has begun to occur;
2. that such offense giving rise to **personal and advertising injury** occurred, on the date of the first utterance or dissemination or, if there is no utterance or dissemination, then on the first date of the activity giving rise to a **claim**.

C. Coverage C - Crisis Management Expenses

The Insurer will reimburse the **Named Insured** for **crisis management expenses** incurred by the **Named Insured** as a direct result of its response to a **crisis management event** that first occurs during the **policy period**, provided:

- 1 such **crisis management event** is reported to the Insurer as soon as reasonably practicable following the **crisis management event**, or within 72 hours after such **crisis management event** begins if such **crisis management event** is likely to give rise to **bodily injury** or **property damage**;



CNA Paramount Excess and Umbrella Liability Policy

2. such **crisis management expenses** are incurred within 180 days after the **crisis management event** and reported to the Insurer as soon as reasonably practicable; and,
3. such **crisis management expenses** are approved in advance by the Insurer.

The period of time for which the Insurer will pay **crisis management expenses** will not be limited by the expiration of the **policy period**.

D. Coverage D – Key Employee

The Insurer will reimburse the **Named Insured** for **key employee replacement expenses** due to the **Named Insured's** permanent loss of the services of a **key employee** provided that:

1. the **Named Insured** would not have incurred such **key employee replacement expenses** if the **Named Insured** had not lost the services of the **key employee**;
2. such **key employee replacement expenses** are incurred by the **Named Insured** within 180 days of the **covered accident** and reported to the Insurer as soon as reasonably practicable;
3. such loss of service is caused by a **covered accident**;
4. the **covered accident** occurs during the **policy period**; and
5. a replacement for such **key employee** is hired within 180 days after the **covered accident**.

The period of time for which the Insurer will pay **key employee replacement expenses** will not be limited by the expiration of the **policy period**.

II. DEFENSE COSTS PAYMENT AND RELATED DUTIES

- A. The Insurer has the right and duty to defend any **suit**, and the right to assume control of the investigation and settlement of any **claim**, against the **Insured**, as follows:
 1. with respect to the **Coverage A - Excess Follow Form Liability**, upon exhaustion through payment in legal currency of the full amount of the applicable **underlying limits** over which **Coverage A** applies.
 2. with respect to the **Coverage B - Umbrella Liability**, upon receipt by the Insurer of a **claim** to which Coverage B applies.

When the Insurer has the duty to defend any **suit** and the right to investigate any **claim** but is prevented by law from doing so, the **Insured** will undertake such defense and investigation, and the Insurer will reimburse the **Insured** for the **defense costs**.

The Insurer's obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** does not apply if any other insurer has a duty to defend. Further, any obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** ceases upon exhaustion of the applicable limits of insurance of this Policy.

- B. The Insurer may, at the Insurer's sole discretion and at the Insurer's own cost, elect to participate in the investigation, settlement or defense of any **claim** against any of the **Insureds** for matters covered by this Policy even if the applicable **underlying limit** has not been exhausted.
- C. The Insurer will pay **defense costs** as follows:
 1. with respect to the **Coverage A - Excess Follow Form Liability**, **defense costs** are paid within or excess of the limits of insurance as set forth in the applicable **underlying insurance**.
 2. with respect to the **Coverage B - Umbrella Liability**, **defense costs** are paid in excess of and do not erode the limits of insurance or the **retained amount**.
- D. Where the Insurer investigates a **claim** or defends a **suit**, the Insurer will do so even if the allegations of a **claim** are groundless, false, or fraudulent. If Insurer investigates a **claim** or defends a **suit**, Insurer will

Form No: CNA75504XX (03-2015)

Policy Page: 3 of 32

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

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CNA Paramount Excess and Umbrella Liability Policy

do so only until the Insurer:

1. makes payment of; or
2. offers to pay; or
3. deposits in court

that part of a judgment up to but not exceeding the Insurer's applicable limits of insurance.

- E. No **Insured** shall admit liability, consent to any judgment, agree to any settlement or make any settlement offer which is reasonably likely to involve this Policy without the Insurer's prior written consent, such consent not to be unreasonably withheld. The **Insureds** agree that they shall not knowingly take any action that increases the Insurer's exposure for **damages** or **defense costs** under this Policy.

III. EXCLUSIONS

A. Coverage A - Excess Follow Form Liability and Coverage B - Umbrella Liability Exclusions

With respect to both the **Coverage A- Excess Follow Form Liability** and **Coverage B -Umbrella Liability**, this Insurance does not apply to:

1. Access to or Disclosure of Confidential or Personal Information and Data-Related Liability

any actual or alleged **damages** arising out of:

- a. any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- b. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the **Named Insured** or others arising out of that which is described in paragraph a. or b. above.

However, unless paragraph a. above applies, this exclusion does not apply to **bodily injury** to the extent that such liability is covered by **underlying insurance**.

2. Asbestos

- a. any actual or alleged liability arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or
- b. any actual or alleged loss, cost or expense that may be awarded or incurred:
 - i. by reason of a **claim** for any such injury or damage; or
 - ii. in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of **asbestos**.

3. Damage to Impaired Property or Property not Physically Injured

any actual or alleged **property damage** to **impaired property** or property that has not been physically injured, arising out of:

- a. a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- b. a delay or failure by the **Named Insured** or anyone acting on the **Named Insured's** behalf to perform a contract or agreement in accordance with its terms.



CNA Paramount Excess and Umbrella Liability Policy

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

4. Damage to Premises Rented or Occupied by the Named Insured

any actual or alleged **property damage** to premises rented to the **Named Insured** or in the case of damage by fire, while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the owner.

5. Distribution or Recording of Material or Information in Violation of Laws

any actual or alleged liability arising directly or indirectly out of any actual or alleged:

- a. violation of:
 - i. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - ii. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - iii. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
 - iv. any statute, ordinance, regulation or law other than the TCPA, CAN-SPAM Act of 2003, or FCRA, including FACTA, and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information; or
- b. conversion or consumption of another's tangible property or electronic assets. For the purpose of this provision, electronic assets include but are not limited to minute allowances, text message allowances, and other electronic consumables.

6. Employment Related Practices

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a. a person arising out of any actual or alleged:
 - i. refusal to employ that person;
 - ii. termination of that person's employment;
 - iii. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. the **spouse**, child, parent, brother or sister of that person as a consequence of such **bodily injury** or **personal and advertising injury** to that person at whom any of the employment-related practices described in paragraphs a. i., ii., or iii. above is directed.

This exclusion applies:

- a. whether the injury-causing event described in paragraphs a. i., ii., or iii. above occurs before employment, during employment or after employment of that person;
- b. whether the **Insured** may be liable as an employer or in any other capacity; and
- c. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, this exclusion does not apply to **bodily injury** a person sustains during a job interview while attempting to demonstrate a physical capability or skill required by the job to the extent that





CNA Paramount Excess and Umbrella Liability Policy

such liability is covered by **underlying insurance**.

7. ERISA

any actual or alleged liability arising out of any actual or alleged obligation of any **Insured** under the Employees Retirement Income Security Act of 1974 or any similar common or statutory law anywhere in the world including any amendments or additions thereto.

8. Nuclear Energy Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury**:

- a. with respect to which an **Insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of insurance;
- b. resulting from the **hazardous properties of nuclear material** and with respect to which:
 - i. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - ii. the **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- c. resulting from **hazardous properties of nuclear material**, if:
 - i. the **nuclear material**:
 - (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **Insured** or
 - (b) has been discharged or dispersed therefrom;
 - ii. the **nuclear material** is contained in **spent fuel** or **nuclear waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
 - iii. the **bodily injury, property damage or personal and advertising injury** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion applies only to **property damage** to such **nuclear facility** and any property thereat.
- d. Under any Medical Payments coverage, to expenses with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

Solely as used in this exclusion:

- (a) **property damage** includes all forms of radioactive contamination of property;
- (b) **hazardous properties** includes but is not limited to radioactive, toxic or explosive properties;
- (c) source material, special nuclear material, and by-product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.



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9. Recall of Products, Work or Impaired Property

any actual or alleged loss, cost or expense incurred by the **Named Insured** or any person or entity, for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product, your work or impaired property**, if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

10. Unfair Competition/Antitrust Claims/RICO Claims

any actual or alleged liability arising out of any:

- a. unfair competition, dilution, deceptive trade practices, or civil actions for consumer fraud;
- b. charges of price fixing, monopolization or restraint of trade; or
- c. any violation of:
 - i. the Federal Trade Commission Act;
 - ii. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - iii. the Racketeer Influenced and Corrupt Organizations Act;
 - iv. any rules or regulations promulgated under or in connection with the above statutes; or
 - v. any state, federal or local statute or other law which similarly regulates business practices.

11. Uninsured/Underinsured Motorists

any actual or alleged liability arising out of any obligations under an uninsured/underinsured motorist law, a personal injury protection law, a reparations benefit law or other similar law.

12. War

any actual or alleged liability arising, directly or indirectly out of any:

- a. war, including undeclared or civil war;
- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Workers' Compensation and Similar Laws /Nonsubscriber Status

any actual or alleged liability arising out of any obligation of any **Insured**:

- a. under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- b. by reason of a statement of non-subscription on file with any applicable Worker's Compensation authority of any State indicating the **Named Insured** has chosen not to participate in the Workers Compensation system in accordance with laws of such state.

B. Coverage A - Excess Follow Form Liability Exclusions

With respect to **Coverage A - Excess Follow Form Liability**, this Insurance does not apply to:

1. Coverages Subject to a Sub Limit

any actual or alleged liability, loss, cost or expense covered under any **underlying insurance** which is

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subject to a **sub limit**.

2. Crisis Management Expenses

crisis management expenses except as provided for in **Coverage C** above even if such insurance is afforded under **underlying insurance** or would have been afforded but for the exhaustion of the **underlying limits**.

3. Pollution

- a. any actual or alleged **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - i. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured** except that this subparagraph does not apply to:
 - (a) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**; or
 - (b) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - ii. at or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom the **Named Insured** may be legally responsible; or
 - iv. at or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:
 - (a) If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor; except that this subparagraph does not apply to **bodily injury** or **property damage** arising out of:
 - (1) the escape of fuels, lubricants, or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury** or **property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **Insured**, contractor or subcontractor; or
 - (2) heat, smoke or fumes from a **hostile fire**; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**;
 - v. that are, or that are contained in property that is:
 - (a) being transported or towed by, or handled for movement into, onto or from a covered **auto**;
 - (b) otherwise in the course of transit; or



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(c) being stored, disposed of, treated or processed in or upon the covered **auto** except that this subparagraph does not apply to fuels, lubricants, fluids, exhaust, gases or other similar **Pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts if the **pollutants** escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**;

vi. before the **pollutants** or property in which the **pollutants** are contained are moved from the place where they are accepted by the **Insured** for movement into or onto the covered **auto**;

or

vii. after the **pollutants** or property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **Insured**.

Subparagraphs vi. and vii. do not apply if the **pollutants** or property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto** and the discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

- b. any actual or alleged **personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- c. any actual or alleged loss, cost or expense arising out of any:
 - i. request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

However, if liability for **damages** because of **property damage** is not excluded by paragraph a. of this exclusion, then neither will paragraph c. above serve to exclude such **damages**.

C. Coverage B - Umbrella Liability Exclusions

With respect to the **Coverage B - Umbrella Liability**, this Insurance does not apply to:

1. Aircraft, Auto, Watercraft or Mobile Equipment

any actual or alleged **bodily injury, property damage, personal and advertising injury** arising out of the ownership, maintenance, operation, use, **loading or unloading** or entrustment to others of any:

- a. **aircraft** owned by any **Insured** or rented, loaned or chartered by or on behalf of any **Insured** without crew; or
- b. **autos, watercraft or mobile equipment**

This exclusion applies even if such **claim** against an **Insured** alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**.

This exclusion does not apply to:

- i. watercraft while ashore on premises the **Named Insured** owns or rents;
- ii. watercraft the **Named Insured** does not own that is:
 - (a) less than 55 feet long; and
 - (b) not being used to carry persons or property for a charge; or





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- iii. liability assumed under any **insured contract** for the ownership, maintenance or use of watercraft.
- 2. **Contractual Liability**
any actual or alleged **bodily injury, property damage or personal and advertising injury** for which an **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement other than an **insured contract**. This exclusion does not apply to liability that the **Insured** would have in the absence of such contract or agreement.
- 3. **Damage to Property**
any actual or alleged **property damage** to:
 - a. property the **Named Insured** owns, rents, or occupies, including any costs or expenses incurred by the **Named Insured**, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
 - b. premises the **Named Insured** sells, gives away or abandons, if the **property damage** arises out of any part of those premises;
 - c. property loaned to the **Named Insured**;
 - d. personal property in the care, custody or control of the **Insured**;
 - e. that particular part of real property on which the **Named Insured** or any contractors or subcontractors working directly or indirectly on its behalf are performing operations, if the **property damage** arises out of those operations; or
 - f. that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph **b.** of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by the **Named Insured**.

Paragraphs **c., d., e. and f.** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **f.** of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.
- 4. **Damage to Your product**
any actual or alleged **property damage** to **your product** arising out of it or any part of it.
- 5. **Damage to Your work**
any actual or alleged **property damage** to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**. This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the **Named Insured's** behalf by a subcontractor.
- 6. **Employee Injury**
any actual or alleged **bodily injury or personal and advertising injury** to:
 - a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
 - b. the **spouse, child, parent, brother or sister** of that **employee** as a consequence of **a.** above.



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This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **Insured** under an **insured contract**.

7. Expected or Intended injury

any actual or alleged **bodily injury** or **property damage** arising out of an act or omission:

- a. intended by an **Insured**; or
- b. that would be expected from the standpoint of a reasonable person in the circumstances of the **Insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. Fungi or Other Organic Pathogens

- a. any actual or alleged **bodily injury**, **property damage** or **personal and advertising injury** arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens**;
- b. any actual or alleged loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of **fungi or other organic pathogens** by any **Insured** or by anyone else; or
- c. any actual or alleged **property damage** caused by water where there also exists any **property damage** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense.

9. Liquor Liability

any actual or alleged **bodily injury** or **property damage** for which any **Insured** may be held liable by reason of:

- a. causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on the **Insured's** premises, for consumption on the **Insured's** premises;
- b. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the **claims** against any **Insured** allege negligence or other wrongdoing in:

- i. the supervision, hiring, employment, training or monitoring of others by that **Insured**; or





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- ii. providing or failing to provide transportation with respect to any person that may be under the influence of alcohol,

if the **occurrence** which caused the **bodily injury** or **property damage** involved that which is described in paragraph a., b. or c. above.

10. Nonemployment Related Discrimination

any actual or alleged personal and advertising injury arising out of any actual or alleged nonemployment related discrimination committed intentionally against a person.

11. Personal and Advertising Injury

any actual or alleged **personal and advertising injury**:

a. Breach of Contract

arising out of breach of contract, except an implied contract to use another's advertising idea in the **Named Insured's advertisement**.

b. Criminal Acts or Conduct

arising out of any actual or alleged criminal act or omission committed by or at the direction of any **Insured**. This exclusion does not apply to the extent liability is imposed upon the **Insured** for acts or omissions of another committed without the knowledge or consent of the **Insured**.

c. Electronic Chat Rooms or Bulletin Boards

arising out of an electronic chat room or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

d. Infringement of Copyright, Patent, Trademark or Trade Secret

arising out of infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in the **Named Insured's advertisement**. However, this exclusion does not apply to infringement of copyright, trade dress or slogan in the **Named Insured's advertisement**.

e. Insureds in Media and Internet Type Businesses

committed by an **Insured** whose business is:

- i. advertising, broadcasting, publishing or telecasting;
- ii. designing or determining content or web-sites for others; or
- iii. an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraph **A., B. or C.** of **personal and advertising injury** as defined in the section entitled Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for the **Named Insured** or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

f. Knowing Violation of Rights of Another

caused by an actual or alleged offense, act or omission by or at the direction of the **Insured** if the **Insured** knew or should have known that such offense, act or omission would cause such **personal and advertising injury**.



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g. Material Published Prior To Policy Period

arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

h. Material Published with Knowledge of Falsity

arising out of written publication in any manner of material, if the **Insured** knew or should have known the material was false.

i. Quality or Performance of Goods – Failure to Conform to Statements

arising out of any failure of goods, products or services to conform to any statement of quality or performance made in the **Named Insured's advertisement**.

j. Unauthorized Use of Another's Name or Product

arising out of unauthorized use of another's name or product in the **Named Insured's** e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

k. Wrong Description of Prices

arising out of the wrong description of the price of goods, products or services stated in the **Named Insured's advertisement**.

12. Pollution

- a. any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- b. any actual or alleged loss, cost or expense arising out of any:
 - i. request, demand, order, or statutory or regulatory requirement that anyone test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants**.

13. Silica

- a. any actual or alleged **bodily injury** arising, in whole or in part, out of the actual, alleged or threatened respiration or ingestion at any time of **silica**; or
- b. any actual or alleged **property damage** arising in whole or in part out of the actual, alleged or threatened presence of **silica**.
- c. any actual or alleged **personal and advertising injury** arising, in whole or in part, out of the actual, alleged or threatened:
 - i. exposure at any time to; or
 - ii. presence at any time of;**silica**.

14. Terrorism

any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of any act of terrorism.

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D. Coverage D - Key Employee Exclusions

With respect to **Coverage D – Key Employee**, this insurance does not apply to any actual or alleged:

1. Death or Disability

death or permanent disability of a **key employee** relating to, or arising out of:

- a. nuclear reaction or radiation or radioactive contamination, however caused;
- b. sickness or disease, including mental illness or mental injury;
- c. pregnancy, childbirth, miscarriage or abortion;
- d. suicide, attempted suicide or self inflicted bodily injury, while sane or insane;
- e. the **key employee's** intoxication, impairment or otherwise being under the influence of alcohol or controlled substances;
- f. war, including undeclared or civil war;
- g. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- h. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Other Expenses

- a. expenses the **Named Insured** incurs which the **Named Insured** would not have incurred if the **Named Insured** had used all reasonable means to:
 - i. find a permanent replacement for the **key employee**; and
 - ii. reduce or discontinue the **key employee** replacement expense;
 as soon as possible after the **Named Insured's** permanent loss of the services of the **key employee** caused by a **covered accident**.
- b. additional expenses incurred due to the **Named Insured's** loss of the services of a permanent replacement appointed or hired to replace a **key employee**, however caused. However, this exclusion does not apply if the replacement employee is included in the definition as a **key employee** and the **Named Insured's** loss of the services of the replacement employee is caused by a **covered accident**.

IV. WHO IS AN INSURED

The following persons or organizations are **Insureds**.

- A. With respect to **Coverage A - Excess Follow Form Liability**, the **Named Insured** and any persons or organizations included as an insured under the provisions of **underlying insurance** are **Insureds**, and then only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.
- B. With respect to the **Coverage B - Umbrella Liability**:
 - 1. If the **Named Insured** is designated in the Declarations of this Policy as:
 - a. an individual, the **Named Insured** and the **Named Insured's spouse** are **Insureds**, but only with respect to the conduct of a business of which the **Named Insured** is the sole owner.
 - b. a partnership or joint venture, the **Named Insured** is an **Insured**. The **Named Insured's** members, the **Named Insured's** partners, and their **spouses** are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business.

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- c. a limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** members are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business. The **Named Insured's** managers are **Insureds**, but only with respect to their duties as the **Named Insured's** managers.
- d. an organization other than a partnership, joint venture or limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** executive officers and directors are **Insureds**, but only with respect to their duties as the **Named Insured's** officers or directors. The **Named Insured's** stockholders are also **Insureds**, but only with respect to their liability as stockholders.
- e. a trust, the **Named Insured** is an **Insured**. The **Named Insured's** trustees are also **Insureds**, but only with respect to their duties as trustees.
2. Each of the following are also **Insureds**:
- a. The **Named Insured's** volunteer workers but only while performing duties related to the conduct of the **Named Insured's** business.
- b. The **Named Insured's** employees, other than either the **Named Insured's** executive officers (if the **Named Insured** is an organization other than a partnership, joint venture or limited liability company) or the **Named Insured's** managers (if the **Named Insured** is a limited liability company), but only for acts within the scope of their employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business.

However, none of these employees or volunteer workers are **Insureds** for:

- i. **bodily injury or personal and advertising injury**:
- (a) to the **Named Insured**, to the **Named Insured's** partners or members (if the **Named Insured** is a partnership or joint venture), to the **Named Insured's** members (if the **Named Insured** is a limited liability company), to a co-employee while in the course of his or her employment or performing duties related to the conduct of the **Named Insured's** business, or to the **Named Insured's** other volunteer workers while performing duties related to the conduct of the **Named Insured's** business;
- (b) to the spouse, child, parent, brother or sister of that co-employee or volunteer worker as a consequence of paragraph (i)(a) above;
- (c) for which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraph i. (a) or (b) above; or
- (d) arising out of his or her providing or failing to provide professional health care services.
- ii. **property damage** to property:
- (a) owned, occupied or used by;
- (b) rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- the **Named Insured**, any of the **Named Insured's** employees, volunteer workers, any partner or member (if the **Named Insured** is a partnership or joint venture), or any member (if the **Named Insured** is a limited liability company).

- C. With respect to the **Coverage C - Crisis Event Management** and the **Coverage D - Key Employee**, the **Named Insured** is the **Insured**.

V. LIMITS OF INSURANCE

A. Multiple Insureds, claims, claimants

The limits of insurance shown in the Declarations of this Policy and the rules below fix the most the

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Insurer will pay regardless of the number of:

1. **Insureds**;
2. **claims** made or brought against the **Insured**;
3. persons or organizations making **claims** or bringing **claims**; and
4. coverages under this Policy.

B. Aggregate Limit

Subject to the paragraphs **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate limit is the most that the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for:

1. **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated; and
2. **damages** covered under the **products-completed operations hazard**.

The limits of insurance shown in the Declarations of this Policy apply to the entire **policy period**, regardless of length.

In addition, with respect to **Coverage A – Excess Follow Form Liability** only, the Aggregate limit shown in the Declarations of this Policy shall be applied in the same manner as the applicable Aggregate limits in the Schedule of **underlying insurance**.

C. Aggregate Products-Completed Operations Hazard

Subject to paragraph **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate Products-Completed Operations Hazard limit is the most that the Insurer will pay as **damages** arising out of the **products-completed operations hazard**, regardless of whether such **damages** are or otherwise would be covered in any way under more than one coverage.

D. Policy Aggregate Limit

This provision **D.** only applies if an amount is shown in the Declarations as the Policy Aggregate Limit.

Subject to the Each **Incident** limit, Aggregate limit and Aggregate **products-completed operations hazard** limit, the Policy Aggregate limit is the most the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated.

E. Each Incident

Subject to paragraphs **B.**, **C.** and **D.** above, the limit of insurance shown in the Declarations of this Policy as the Each **Incident** limit is the most the Insurer will pay for the sum of all **damages** arising out of any one **incident** under this Policy, regardless of which coverage applies.

F. Crisis Management

Solely with respect to **Coverage C – Crisis Management Expenses**, the most the Insurer will pay is the limit of insurance shown on the Declarations of this Policy as the **Crisis Management Expenses** Aggregate limit, regardless of the number **crisis management events** for which **crisis management expenses** are incurred. **Crisis management expenses** are not subject to the **retained amount**.

The **Crisis Management Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Crisis Management Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

G. Key Employee Replacement Expenses

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Solely with respect to **Coverage D – Key Employee**, the most the Insurer will pay for **key employee replacement expenses** is the **Key Employee Aggregate** limit shown on the Declarations of this Policy, regardless of the number **key employees** for which **key employee replacement expenses** are incurred. **Key employee replacement expenses** are not subject to the **retained amount**.

The **Key Employee Replacement Expenses Aggregate** limit of insurance is in addition to and will not erode any other limits of this Policy. The **Key Employee Replacement Expenses Aggregate** limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

H. Defense Costs

Defense costs are either paid within or are in excess of the limits of insurance as set forth in paragraph C. of the section entitled **Defense Costs Payment and Related Duties**.

I. Exhaustion or Reduction of Applicable Underlying Limit

Solely with respect to **Coverage A - Excess Follow Form Liability**, if the applicable **underlying limits** are:

1. reduced solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) **Coverage A** will apply in excess of the remaining amount of such applicable **underlying limit**; or
2. exhausted, solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) then **Coverage A** will apply, subject to this Policy's limit of insurance provision and to the remaining terms and provisions and conditions of this Policy in place of such exhausted applicable **underlying limit**.

If any loss covered under any **underlying insurance** is subject to a **sub-limit** (whether or not such **sub-limit** erodes the limits generally available to all claims), then the **underlying limits** shall not be deemed depleted by payment of any such **sub-limits**.

Nothing herein shall serve to increase the limits of insurance shown in the Declarations of this Policy.

VI. CONDITIONS

A. Appeals

If the **Named Insured** or its **underlying insurers** elect not to appeal a judgment in excess of the limits of insurance afforded by the **underlying insurance** the Insurer may elect to appeal at the Insurer's expense. The Insurer's limits of insurance shall not be increased because of such appeal. However, the Insurer will pay the following costs and expenses:

1. all premium bonds to release attachments for an amount not in excess of the applicable limit of insurance of this policy;
2. all premiums on appeal bonds required in such defended **claims**, but without obligation to apply for or furnish such bonds;
3. court fees; and
4. costs and expenses taxed against the **Named Insured** by the appellate court and interest accruing after entry of a judgment against the **Named Insured** and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance of this Policy. Where the **underlying insurers** terminate their liability to pay interest on the judgment by an offer to pay their limits, the **Named Insured** shall demand that such limits be paid. If the appeal is successful, such amounts not obligated to be paid shall be returned to such **underlying insurer**.

B. Cancellation and Nonrenewal

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The Cancellation/Nonrenewal provisions are as set forth in the Cancellation/Nonrenewal Endorsement attached to this Policy.

C. Changes to the Policy

Notice to any of the Insurer's agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy, nor will such notice prevent the Insurer from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued by the Insurer to form a part of this Policy.

D. Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by the Insurer would have led to refusal by the Insurer to make this contract or provide coverage, or to make this contract or provide coverage on different terms or conditions, will be deemed material.

E. Duties of the First Named Insured on the Declarations of this Policy

The **First Named Insured**, on behalf of all others, will be:

1. authorized to make changes in the terms of this Policy with the consent of the Insurer;
2. the payee of any premiums the Insurer refunds;
3. responsible for:
 - a. remitting the payment of all premiums due, but all **Named Insureds** jointly and severally agree to make such payments in full if the **First Named Insured** fails to pay the amount due within 10 days after the Insurer give written notice or demand;
 - b. keeping records of the information the Insurer requires for premium computation, and sending copies of such records at such times as requested by the Insurer;
 - c. notifying the Insurer that the **First Named Insured** on behalf of all others wants to cancel this Policy; and
 - d. providing any notice required under this Policy.

F. Economic and Trade Sanctions

This Policy does not provide coverage for an **Insured**, transaction or that part of loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

G. Entire Contract

By acceptance of this Policy, the **Insureds** agree that this Policy, including all endorsements to this Policy, constitute the entire contract existing between the parties relating to this insurance.

H. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or spouse outside the scope of such person's capacity or status as such provided however that this sentence does not apply to the spouse of:

1. a sole proprietorship **Named Insured**; or



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2. members or partners of joint venture or partnership **Named Insureds**.

Examination of the **Named Insured's** Books and Records

The Insurer may examine and audit the **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

J. Financial Impairment

Bankruptcy, rehabilitation, receivership, liquidation or other financial impairment of the **Named Insured** or an **underlying insurer** shall neither relieve nor increase any of the Insurer's obligations under this Policy.

In the event there is diminished recovery or no recovery available to the **Named Insured** as a result of financial impairment of an **underlying insurer**, the coverage under this Policy shall apply only in excess of the **underlying limits**. Under no circumstances shall the Insurer be required to drop down and replace the **underlying limits**, or assume the obligations of the **Named Insured** or the financially impaired insurer.

K. Headings

The description in the headings and subheadings of this Policy is solely for convenience, and forms no part of the terms and conditions of coverage.

L. Inspections and Surveys

The Insurer has the right but is not obligated to:

1. make inspections and surveys at any time;
2. give the **Named Insured** reports on the conditions it finds;
3. recommend changes; or
4. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

1. make safety inspections;
2. undertake to perform the duty of any organization to provide for the health or safety of workers or the public; nor
3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

This provision applies not only to the Insurer, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, recommendations, reports, or gives loss control or prevention advice, on its behalf.

M. Legal Action Limitation

No person or organization has a right under this Policy:

1. to join the Insurer as a party or otherwise bring the Insurer into a **suit** asking for **damages** from an **Insured**; or
2. to sue Insurer on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an **Insured**; but the Insurer will not be liable for **damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An "agreed settlement" means a settlement and release of liability signed by the Insurer, the **Insured** and the claimant or the claimant's legal representative.





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N. Maintenance of Underlying Insurance

Solely with respect to **Coverage A - Excess Follow Form Liability**, while this Policy is in force the **First Named Insured** agrees that the **underlying insurance** and renewals and replacements thereof shall be maintained, without alterations of terms or conditions, in full effect during the term of this Policy; except for reduction or exhaustion of the limits of insurance in the **underlying insurance**, provided that such reduction or exhaustion is solely the result of **incidents** covered under this Policy.

If the **First Named Insured** fails to maintain **underlying insurance**, this condition shall not invalidate this Policy. However, in the event of such failure, the Insurer will only be liable to the same extent as if such **underlying insurance** was in full force and effect without alteration of its terms and conditions.

O. Notice of Claims/Crisis Management Event/Covered Accident

1. Solely with respect to **Coverage A - Excess Follow Form Liability**, if any **underlying insurance** is a policy issued by the Insurer or any of its affiliates, then notice of any **claim** under such **underlying insurance** is notice to the Insurer under this Policy.
2. It is a condition precedent to coverage under this Policy that:
 - a. subject to paragraph b. below, the **Insured** notify the Insurer as soon as practicable of an **incident** which an **Insured** believes may result in a **claim**. To the extent possible, notice should include:
 - i. how, when and where the **incident** took place;
 - ii. the names and addresses of any injured persons and witnesses; and
 - iii. the nature and location of any injury or damage arising out of the **incident**.
 - b. the **Insured** notify the Insurer as soon as practicable of an **incident** if it involves:
 - i. a demand against the **Insured** which exceeds 50% of any remaining applicable **underlying limit**;
 - ii. any **underlying insurance** reserve or monetary exposure exceeding \$500,000; or
 - iii. any of the following:
 - (a) brain damage, including but not limited to any neurological impairment of infants or adults and coma;
 - (b) spinal cord injury, including but not limited to paraplegia or quadriplegia;
 - (c) loss of any organ;
 - (d) severe disfigurement, including but not limited to burns and amputations; or
 - (e) death.
 - c. if a **claim** is made against any **Insured**, the **Named Insured**:
 - i. will immediately record the specifics of the **claim** and the date received and notify the Insurer of such **claim**;
 - ii. will immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
 - iii. will authorize the Insurer to obtain records and other information;
 - iv. will cooperate with the Insurer in the investigation or settlement of the **claim** or defense against the **suit**;

will assist the Insurer, upon its request, in the enforcement of any right against any person



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or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply; and

- vi. will not voluntarily make a payment, except at its own cost, assume any obligation, or incur any expense, other than for first aid, without the Insurer's prior consent.

3. Cooperation

With respect to both **Coverage A - Excess Follow Form Liability** and **Coverage B - Umbrella Liability**, the **Named Insured** will cooperate with the Insurer in addressing all **claims** required to be reported to the Insurer in accordance with this paragraph **O. Notice of Claims/Crisis Management Event/Covered Accident**, and refuse, except solely at its own cost, to voluntarily, without the Insurer's approval, make any payment, admit liability, assume any obligation or incur any expense related thereto.

P. Notices

Any notices required to be given by an **Insured** shall be submitted in writing to the Insurer at the address set forth in the Declarations of this Policy.

Q. Other Insurance

If the **Insured** is entitled to be indemnified or otherwise insured in whole or in part for any **damages or defense costs** by any valid and collectible **other insurance** for which the **Insured** otherwise would have been indemnified or otherwise insured in whole or in part by this Policy, the limits of insurance specified in the Declarations of this Policy shall apply in excess of, and shall not contribute to a **claim, incident** or such event covered by such **other insurance**.

With respect to **Coverage A - Excess Follow Form Liability** only, if:

- a. the **Named Insured** has agreed in writing in a contract or agreement with a person or entity that this insurance would be primary and would not seek contribution from any other insurance available;
- b. **Underlying Insurance** includes that person or entity as an additional insured; and
- c. **Underlying Insurance** provides coverage on a primary and noncontributory basis as respects that person or entity;

then this insurance is primary to and will not seek contribution from any insurance policy where that person or entity is a named insured.

R. Premium

All premium charges under this Policy will be computed according to the Insurer's rules and rating plans that apply at the inception of the current **policy period**. Premium charges may be paid to the Insurer or its authorized representative.

S. In Rem Actions

A quasi *in rem* action against any vessel owned or operated by or for a **Named Insured**, or chartered by or for a **Named Insured**, will be treated in the same manner as though the action were *in personam* against the **Named Insured**.

T. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Policy to the **First Named Insured**, this insurance applies:

- 1. as if each **Named Insured** were the only **Named Insured**; and
- 2. separately to each **Insured** against whom a **claim** is made.

U. Transfer of Interest

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Assignment of interest under this policy shall not bind the Insurer unless its consent is endorsed hereon.

V. Unintentional Omission

Based on Insurer's reliance on the **Named Insured's** representations as to existing hazards, if the **Named Insured** should unintentionally fail to disclose all such hazards at the effective date of this Policy, the Insurer will not deny coverage under this Policy because of such failure.

W. Waiver of Rights of Recovery

The Insurer waives any right of recovery it may have against any person or organization because of payments the Insurer makes under this Policy if the **Named Insured** has agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. is in effect or becomes effective during the **policy period**; and
2. was executed prior to loss.

VII. DEFINITIONS

For purposes of this Policy, words in bold face type, whether expressed in the singular or the plural, have the meaning set forth below.

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the **Named Insured's** goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- A. notices that are published include material placed on the Internet or on similar electronic means of communication; and
- B. regarding web-sites, only that part of a web-site that is about the **Named Insured's** goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.

Aircraft means any machine or device that is capable of atmospheric flight.

Arbitration proceeding means a formal alternative dispute resolution proceeding or administrative hearing to which an **Insured** is required to submit by statute or court rule or to which an **Insured** has submitted with the Insurer's consent.

Asbestos means the mineral in any form whether or not the asbestos was at any time airborne as a fiber, particle or dust, contained in or formed a part of a product, structure or other real or personal property, carried on clothing, inhaled or ingested, or transmitted by any other means.

Authorized Insured means any **executive officer**, member of the **Named Insured's** risk management or in-house general counsel's office, or any **employee** authorized by the **Named Insured** to give or receive notice of a **claim**.

Auto means:

- A. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- B. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, **auto** does not include **mobile equipment**.

Bodily injury means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the bodily injury, sickness or disease.

Claim means a:

- A. **suit**; or



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B. written or oral demand for **damages** alleging injury to which this insurance applies.

Coverage territory means:

- A. the United States of America (including its territories and possessions), Puerto Rico and Canada;
- B. international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph A. above; or
- C. all other parts of the world if the injury or damage arises out of:
 1. goods or products made or sold by the **Named Insured** in the territory described in paragraph A. above;
 2. the activities of a natural person whose home is in the territory described in paragraph A. above, but is away for a short time on the **Named Insured's** business; or
 3. an offense that take place through the Internet or similar electronic means of communication, provided that the **Insured's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in paragraph A. above or in a settlement the Insurer agrees to.

Covered accident means a sudden and unexpected event, which solely and independently of any other cause results in the **key employee's** death or **permanent disability** within one year after the date of the sudden event.

Crisis management event means an event that an **executive officer** reasonably believes has resulted or may result in significant adverse regional or national media coverage and a claim for:

- A. **bodily injury, property damage** or any of the following **personal and advertising injury** offenses:
 1. false arrest, detention or imprisonment;
 2. malicious prosecution or abuse of process; or
 3. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor; and
- B. **damages** to which this insurance applies, that are in excess of any applicable:
 1. **underlying limits**; or
 2. **retained amount**.

Crisis management expenses means **crisis management public relations expenses** and **crisis management other expenses** provided however **crisis management expenses** do not include any of the following:

- A. salary, wages, or benefits of the **Named Insured** or the **Named Insured's employees**;
- B. loss of business income;
- C. costs to acquire, repair or replace real or personal property; or
- D. expense to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by a **Named Insured**.

Crisis management public relations expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to hire a **crisis management firm**;
 - B. to set up call centers or similar inquiry management system to manage inquiries from, or to directly contact, individuals or entities that may be directly impacted by such **crisis management event**;
- to create and deliver notification letters to contact individuals or entities that may be directly impacted

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by the **crisis management event**; or

- D. other related miscellaneous expenses.

Crisis management other expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to pay medical expenses, funeral expenses, psychological counseling expenses, travel expenses, and temporary living expenses of a third party who incurs **bodily injury**, or a family member of such third party, by reason of such **crisis management event**;
- B. for travel expenses incurred by or on behalf of **Insureds** and at the direction of the **crisis management firm**;
- C. to secure the scene of a **crisis management event**; and
- D. other related miscellaneous expenses.

Crisis management firm means a public relations firm, law firm or crisis management firm approved by the Insurer to provide media management services and to respond to actual or anticipated adverse publicity arising out of a **crisis management event** or **covered accident**.

Damages means the amount an **Insured** is legally obligated to pay, either through:

- A. final adjudication of a **claim**; or
 - B. through compromise or settlement of a **claim** with the Insurer's written consent or direction,
- because of covered **incidents**. In addition, **damages** includes the above-mentioned sums only after deducting all other recoveries and salvages.

However, **damages** does not include:

- 1. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
- 2. injunctive or declaratory relief;
- 3. any amount that is not insurable under any applicable law; or
- 4. plaintiff's attorney fees associated with any of the above.

Notwithstanding paragraph 3. above, **damages** shall include (subject always to this Policy's other terms, conditions and limitations) punitive and exemplary damages the enforceability of which shall be governed by such applicable law that most favors coverage for **damages**.

Defense costs mean:

- A. reasonable and necessary fees, costs, and expenses incurred by the Insurer or consented to by the Insurer and incurred by the **Named Insured** in the defense or appeal of a covered **suit** or in the investigation of any covered **claim**, and includes premium for appeal bonds arising out of a covered judgment, attachment bonds or similar bonds, but only for bond amounts up to the applicable limit of insurance. In addition, the Insurer will pay up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which **bodily injury** coverage applies. The Insurer has no obligation to provide such bonds.
- B. prejudgment interest awarded against an **Insured** on that part of a judgment covered by this policy. If the Insurer makes an offer to pay the applicable limit of insurance, the Insurer will not pay any prejudgment interest based on that period of time after the offer.

post judgment interest which accrues after entry of judgment, but before the Insurer has paid or offered to pay, or deposited in court that part of the judgment which is within the limit of insurance of this
- C. Policy. The amount of interest the Insurer pays will be in direct proportion to the amount of **damages**



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the Insurer pays in relation to the total amount of the judgment.

- D. all reasonable expenses incurred by a natural person **Insured** at the Insurer's request to assist the Insurer in the investigation or defense of the **claim**. This includes such **Insured's** actual loss of earnings up to \$750 per day, because of time off from work.
- E. all court costs taxed against the **Insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.

Electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Employee includes **leased workers** or employees loaned to the **Insured**. **Temporary workers** are not **employees**.

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

- A. director, officer, trustee or governor of a corporation;
- B. management committee member of a joint venture;
- C. partner of a partnership;
- D. manager of a limited liability company; and
- E. trustee of a trust.

An **executive officer** is not an **employee**.

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations of this Policy.

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. However, **fungi** does not include any fungi intended by the **Insured** for human consumption.

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Impaired property means tangible property, other than **your product** or **your work** that cannot be used or is less useful because:

- A. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- B. the **Named Insured** has failed to fulfill the terms of a contract or agreement, if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work**; or the **Named Insured's** fulfilling the terms of the contract or agreement.

Incident means:

- A. with respect to **Coverage A - Excess Follow Form Liability**, a covered event as defined in applicable underlying insurance;
- B. solely with respect to **Coverage B - Umbrella Liability**:
 - 1. with respect to **bodily injury** and **property damage**, **incident** means an **occurrence**; or
 - 2. with respect to **personal and advertising injury**, **incident** means an offense that gives rise to such **personal and advertising injury**.

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Insured means any person or organization set forth in the section entitled **WHO IS AN INSURED**.

Insured contract means:

- A. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner is not an **insured contract**;
- B. a sidetrack agreement;
- C. an easement or license agreement; except in connection with construction or demolition operations on or within 50 feet of a railroad;
- D. an obligation, as required by ordinance, to indemnify a municipality except in connection with work for a municipality;
- E. an elevator maintenance agreement; or
- F. the part of any other contract or agreement pertaining to its business (including an indemnification of a municipality in connection with work performed for a municipality) under which the **Named Insured** assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization, provided the **bodily injury** or **property damage** is caused, in whole or in part, by the **Named Insured** or by those acting on its behalf. However, such part of a contract or agreement shall only be considered an **insured contract** to the extent the **Named Insured's** assumption of the tort liability is permitted by law. "Tort liability" means liability that would be imposed by law in the absence of contracts or agreements. This paragraph F. does not include that part of a contract or agreement:
 - 1. that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - 2. that indemnifies an architect, engineer or surveyor for **bodily injury** or **property damage** arising out of:
 - a preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b giving directions or instructions, or failing to give them, if that is the primary cause of the **bodily injury** or **property damage**;
 - 3 under which an **Insured**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of such **Insured's** rendering or failure to render professional services, including those listed in paragraph 2. above and supervisory, inspection, architectural or engineering activities; or
 - 4. that indemnifies a person or organization for damage by fire to premises rented to or loaned to an **Insured**.

Key employee means any of the following officer and employment positions:

- A. Chief Executive Officer;
- B. Chief Operating Officer;
- C. Chief Financial Officer;
- D. Corporate Secretary;
- E. Treasurer;
- F. Executive Vice President; and



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G. Risk Manager

Key employee also means anyone added as such by endorsement to the Policy.

Key employee replacement expenses means the actual and necessary expenses incurred by the **Named Insured**:

- A. to continue the performance of the **key employee's** normal job responsibilities, with comparable quality, while a permanent replacement for the **key employee** is being sought, appointed or hired, and trained.
- B. to find a qualified permanent replacement to fill the **key employee's** position:
 1. costs of advertising the employment position opening;
 2. travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 3. miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the job applicants and legal expenses incurred to draw up employment contracts.
- C. to minimize the amount of **key employee replacement expenses**, but only to the extent the amount of **key employee replacement expenses** otherwise payable under paragraphs 1. and 2. above are reduced.
- D. to relocate the replacement employee to an area within a reasonable commute from their place of employment.
- E. to pay the following reasonable and necessary expenses incurred in connection with the death or permanent disability of any **key employee**:
 1. to hire a **crisis management firm**.
 2. to create and deliver notification letters to contact individuals or entities that may be directly impacted by the **key employee covered accident**; or
 3. other related miscellaneous expenses
- F. **Key employee replacement expenses** also include first year amounts of the replacement employee's:
 1. annual base starting salary;
 2. employee perquisite costs; and
 3. employee benefit costs;

in excess of the amounts which would have been incurred for the **key employee** if the **Named Insured** had not lost the services of the **key employee**. However, the Insurer will not pay more for these expenses than 10% of the amounts which would have been incurred for the **key employee**.

Key employee replacement expenses do not include the following:

- a. any expenses which would have been incurred by the **Named Insured** for the **key employee** if the **Named Insured** had not lost the services of the **key employee**;
- b. any **key employee replacement expenses** that are paid for by any **other insurance**;
- c. except as provided in paragraph F. above, salary, wages, or benefits of the **Named Insured**, the **Named Insured's employees**, the **Named Insured's temporary workers** or **volunteer workers**;
- d. costs to acquire, repair or replace real or personal property;
- e. the **Named Insured's** loss of business income;
- f. expenses incurred by or on behalf of the **Named Insured** to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by the **Named Insured**; and



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- g. expenses incurred by or on behalf of the **Named Insured** due to **bodily injury, property damage, or personal and advertising injury**.

Leased worker means a person leased to the **Named Insured** by a labor leasing firm under an agreement between the **Named Insured** and such labor leasing firm, to perform duties related to the conduct of the **Named Insured's** business. **Leased worker** does not include a **temporary worker**.

Loading or unloading means the handling of property:

- A. after it is moved from the place where it is accepted for movement into or onto an **aircraft, watercraft or auto**;
- B. while it is in or on an **aircraft, watercraft or auto**; or
- C. while it is being moved from an **aircraft, watercraft or auto** to the place where it is finally delivered.

However, **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **aircraft, watercraft or auto**.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- A. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- B. vehicles maintained for use solely on or next to premises the **Named Insured** owns or rents;
- C. vehicles that travel on crawler treads;
- D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1. power cranes, shovels, loaders, diggers or drills; or
 - 2. road construction or resurfacing equipment such as graders, scrapers or rollers;
- E. vehicles not described in A., B., C. or D. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - 2. cherry pickers and similar devices used to raise or lower workers; and
- F. vehicles not described in A., B., C. or D. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - 1. equipment designed primarily for:
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing; or
 - c. street cleaning;
 - 2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - 3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, **mobile equipment** does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are



CNA Paramount Excess and Umbrella Liability Policy

considered **autos**.

Named Insured means the persons or organizations named as such in the Declarations of this Policy.

Nuclear facility means:

- A. any **nuclear reactor**;
- B. any equipment or device designed or used for:
 - 1. separating the isotopes of uranium or plutonium;
 - 2. processing or utilizing **spent fuel**; or
 - 3. handling, processing or packaging **nuclear waste**;
- C. any equipment or device used for the processing, fabricating or alloying of special **nuclear material** if at any time the total amount of such material in the custody of any **Insured** at the premises where such equipment is located consists of or contains more than:
 - 1. 25 grams of plutonium or uranium 233 or any combination thereof; or
 - 2. 250 grams of uranium 235; and
- D. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear material means source material, special nuclear material, or by-product material as these terms are defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear reactor means an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Waste means waste material:

- A. containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material (as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof) content; and
- B. resulting from the operation by any person or organization, of a **nuclear facility** included within paragraphs A. and B. of the definition of **nuclear facility**.

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Other insurance means any:

- A. valid and collectible policy of insurance;
- B. self insurance; or
- C. indemnity agreement by which an **Insured** arranges for funding or transferring its liabilities

that provides coverage that this Policy also provides. **Other insurance** does not include **underlying insurance** or any policy that was bought specifically to apply in excess of the limits of insurance shown in the Declarations of this Policy.

Other organic pathogens means any organic irritant or contaminant other than **fungi**, including but not limited to bacteria, microbes and viruses (whether or not a microorganism), that cause infection and disease.

Other organic pathogens includes any spores, mycotoxins, odors, variants, mutations, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of such

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CNA Paramount Excess and Umbrella Liability Policy

pathogens, and any colony or group of the foregoing.

However, **other organic pathogens** does not mean pathogens that were transmitted directly from person to person.

Permanent disability means permanent physical inability, or mental inability due to a permanent physical inability, of the **key employee** to perform the normal duties of the applicable position for which the individual qualifies as a **key employee**.

Personal and advertising injury means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution or abuse of process;
- C. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor;
- D. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E. oral or written publication, in any manner, of material that violates a person's right of privacy;
- F. the use of another's advertising idea in the **Named Insured's advertisement**; or
- G. infringing upon another's copyright, trade dress or slogan in the **Named Insured's advertisement**.

Policy period means the time from 12.01 A.M. on the effective date of this Policy as set forth in the Declarations of this Policy to the earlier of 12.01 A.M. of the expiration, termination or cancellation date of this Policy.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes medical waste and materials to be recycled, reconditioned or reclaimed.

Products-completed operations hazard means **bodily injury** or **property damage** occurring away from premises the **Named Insured** owns or rents and arising out of **your product** or **your work** except:

- A. products that are still in the **Named Insured's** physical possession; or
- B. work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - 1. when all of the work called for in the **Named Insured's** contract has been completed;
 - 2. when all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or
 - 3. when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

However, **products-completed operations hazard** does not include **bodily injury** or **property damage** arising out of:

- A. the transportation of property, unless **bodily injury** or **property damage** arises out of a condition in or on a vehicle not owned or operated by the **Named Insured**, and that condition was created by the **loading or unloading** of that vehicle by any **Insured**;
- B. the existence of tools, uninstalled equipment or abandoned or unused materials; or



CNA Paramount Excess and Umbrella Liability Policy

- C. products or operations for which the **underlying insurer** states that products-completed operations are subject to the General Aggregate Limit.

Property damage means:

- A. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **incident** that caused it.

However, **electronic data** is not tangible property.

Retained amount means the self insured retention as set forth on the Declarations of this Policy or the amount payable by **other insurance**, whichever is greater.

Silica means the chemical compound silicon dioxide (SiO₂) in any form, including dust which contains silicon dioxide.

Spouse means any husband, wife or partner in a marriage or civil union or any person qualifying as a domestic partner under any federal, state or local laws or under the **Named Insured's** employee benefit plans or employee benefits program.

Sub limit means a limit that is lower than the **underlying limits**.

Suit means a civil proceeding in which **damages** because of injury or damage to which this insurance applies are alleged, including:

- A. an **arbitration proceeding** alleging such **damages**; or
- B. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with the Insurer's consent.

Temporary worker means a worker who is furnished to the **Named Insured** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Underlying insurance means policies of insurance listed in the Schedule of **Underlying Insurance** including renewal or replacement of such insurance which is neither more restrictive nor more broad than that listed in the aforementioned Schedule of **Underlying Insurance**.

Underlying insurer means the insurer providing the **underlying insurance**. It does not include any insurer whose policies were purchased specifically to be in excess of this policy.

Underlying limits means the limits of insurance as set forth in the Schedule of **Underlying Insurance**.

Volunteer worker means a person who is not an **employee** and who donates his or her work and acts at the direction of or within the scope of duties determined by the **Named Insured** and is not paid a fee, salary or other compensation by the **Named Insured** or anyone else for their work performed for the **Insured**.

Your product means:

- A. means:
 - 1. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. the **Named Insured**;
 - b. others trading under the **Named Insured's** name; or
 - c. a person or organization whose business or assets the **Named Insured** has acquired; and
 - 2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

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B. includes:

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
2. The providing of or failure to provide warnings or instructions.

C. does not include vending machines or other property rented to or located for the use of others but not sold.

Your work:

A. means:

1. work or operations performed by the **Named Insured** or on its behalf; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. Includes:

1. warranties or representations made with respect to the fitness, quality, durability, performance or use of **your work**, and
2. the providing of or failure to provide warnings or instructions.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by the Insurer's Chairman and Secretary, but this Policy shall not be binding upon the Insurer unless completed by the attachment of the Declarations of this Policy and signed by the Insurer's duly authorized representative if required.

Chairman of the Board

Secretary



CNA Paramount Excess and Umbrella Liability Policy Endorsement

CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY

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Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insureds" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL

I. CANCELLATION

- A. The first Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
- B. The Insurer may cancel the policy at any time and for any reason within the first sixty (60) days. The Insurer will mail or deliver written notice of cancellation at least ten (10) days prior to the effective of such cancellation if cancellation is for nonpayment or existence of a moral hazard as defined by NJAC 11:1-20.2(f) and thirty (30) days if for any other reason.
- C. If the policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:
 1. May be canceled for any underwriting reason set forth in our underwriting guidelines which were in effect at the policy inception. The underwriting guidelines must not be arbitrary, capricious or unfairly discriminatory.
 2. The following text sets forth certain approved reasons for midterm cancellations as approved guidelines. While an Insurer may issue other guidelines, it appears that an Insurer should limit its guidelines for midterm cancellation to those the Department has approved to avoid the possibility that the Department might rescind a cancellation.
 3. All underwriting reasons or guidelines utilized by the Insurer to cancel or non-renew the policy will be maintained by Insurer in writing and will be available to the Named insured or the Named Insured's lawful representatives upon written request.
 4. Only those guidelines which are in effect at the inception of the original policy or any renewal thereof, as applicable, may be utilized to cancel during the policy period.
 5. The following guidelines are approved for use:
 - a. Non-payment of premium;
 - b. Moral hazard, which is defined as:
 - i. The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a "moral hazard;" and
 - ii. The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability which we will be held responsible. Any change in the character or circumstances of an individual, corporate,

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Endorsement Effective Date:

Endorsement Expiration Date:

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INSURED

40020070108250001223062750157





**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

partnership or other insured that will increase probability of such a loss or liability may be considered a "moral hazard."

- c. Material misrepresentation or non-disclosure of material fact.
- d. Increased hazard or material change in the risk by the parties at inception of coverage.
- e. Substantial breaches of policy provisions that materially affect the nature and/or insurability of the risk.
- f. Lack of cooperation on loss control matters which materially affect insurability.
- g. Fraudulent acts which materially affects the risk.
- h. Loss of or reduction in available insurance capacity. This is an acceptable reason for cancellation only if the following exists:
 - i. an insurance department has declared insured to be financially impaired.
 - ii. substantial reductions in reinsurance or other changes which prohibit us from providing coverage at the same limits and terms as the existing policy; or
 - iii. an insurance department has issued an order indicating impaired financial condition of the reinsurer which may adversely affect the reinsurer's ability to meet its obligations.
- i. Failure of the Insured to comply with any federal, state or local fire, health, safety, building or construction regulation, law or ordinance which substantially increases any hazard insured against. The Insured has sixty (60) days to correct.
- j. Failure by the Insured to provide reasonable and necessary underwriting information to us upon written request and a reasonable time to respond.
- k. Agency termination, provided:
 - i. It is documented that replacement coverage at comparable rates and terms has been provided to the Insured, and the Insured has been informed, in writing of his or her right to continue coverage; or
 - ii. the Insured has agreed in writing to the cancellation based upon the termination of the agent.

The Insurer will mail notice of cancellation to the Named Insured not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, notice of cancellation will be mailed at least ten (10) days prior to the effective date of such cancellation.

- D. All notices of cancellation will state the reason for cancellation.
- E. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

III. NON-RENEWAL

- A. The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured, at the last mailing address known to the Insurer, not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of non-renewal. The notice will be sent by certified mail or by first class mail, if a date stamped proof of mailing has been obtained from the post office.
- B. Like notice of non-renewal will state the actual reason for non-renewal.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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INSURED

40020070108250001223062750158



Form No: CNA62814NJ (09-2012)

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Endorsement Expiration Date:

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

is amended by the addition of the following new exclusion:

Professional Services

any liability arising out of the actual or alleged rendering of, or failure to render, any professional services by the **Insured** or any other person for whose acts the **Insured** is legally responsible.

- II. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS** is amended by the addition of the exclusion set forth in paragraph I. above, except that the bolded word "**Insured**" is deleted in its entirety and replaced with "insured."

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75518XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**
CHANGES - NOTICE OF CANCELLATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

- I. In the event of cancellation of this coverage during the **policy period** for a reason other than nonpayment of premium, the Insurer agrees to mail prior written notice of cancellation to:

SCHEDULE

| Name | Address | Number of Days Advanced Notice |
|---|---------|-----------------------------------|
|  | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |

Form No: CNA75525XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 3; Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

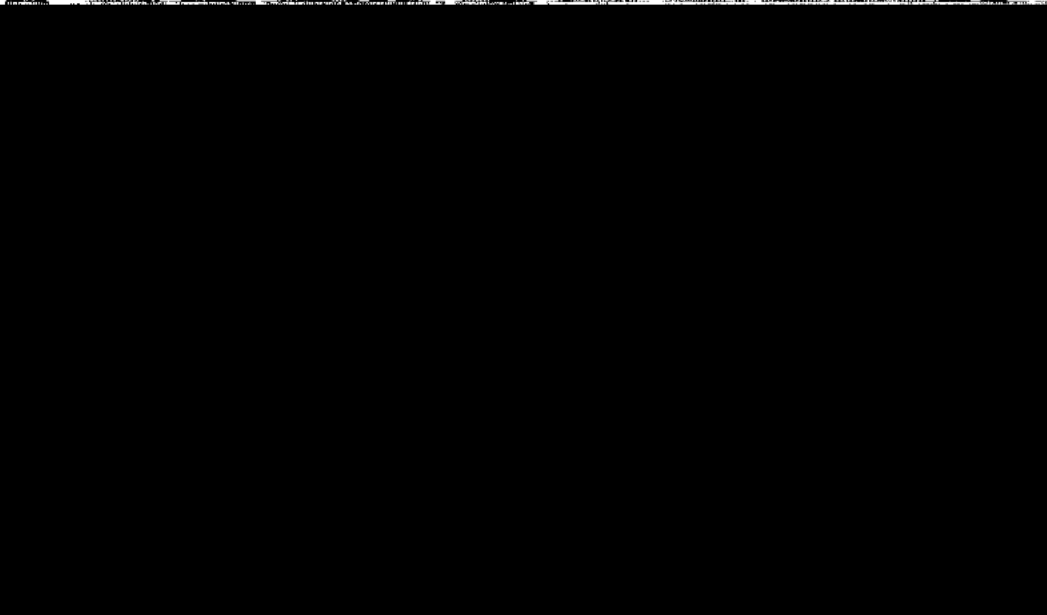
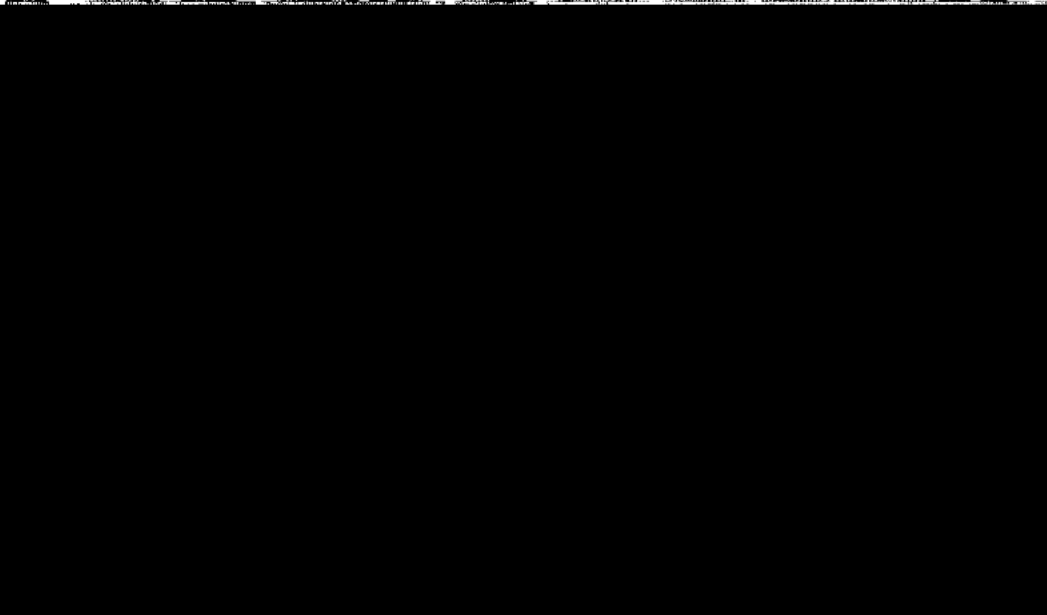
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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

SCHEDULE

| Name | Address | Number of Days Advanced Notice |
|--|--|---|
|  |  | 30 |
| | | 30 |
| | | 30 |
| | | 30 |

- II. If this Endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the bolded term "**policy period**" is deleted in its entirety and replaced with the term "policy period".

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that the section entitled **EXCLUSIONS** is amended as follows:

- A. The subsection entitled **Coverage B – Umbrella Liability Coverage Exclusions**, the exclusion entitled **Employee Injury** is deleted in its entirety; and
- B. The subsection entitled **Coverage A Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions** is amended by the addition of the following new exclusion:

Employee Injury

any actual or alleged **bodily injury or personal and advertising injury** to:

- a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b. the **spouse**, child, parent, brother or sister of that **employee** as a consequence of a. above.

This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75576XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed as follows:

If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage B – Umbrella Liability Coverage Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**,

it is amended with the addition of the following new exclusion:

Underlying Insurance Coverage Limitation

Notwithstanding anything to the contrary, this policy does not provide broader coverage than that which is provided by any **underlying insurance**.

In the event of any difference between:

- a. exclusions, restrictions, limiting terms or conditions in this policy and
 - b. exclusions, restrictions, limiting terms or conditions in the **underlying insurance**;
- addressing the same general risk or hazard, then the more restrictive provision shall apply.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76492XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT - NEW JERSEY

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A - Excess Follow Form Liability Exclusions** and the section entitled **Coverage B - Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A - Umbrella Liability Exclusions**;

the exclusion entitled **Pollution** is amended by the addition of the following:

For premises constructed on or after 1978, or premises constructed prior to 1978 which have been certified, prior to the **policy period**, as being free of existing lead hazards pursuant to standards established by the Department of Community Affairs, this exclusion does not apply to **bodily injury** arising out of lead contamination, or out of the inhalation, ingestion, use, handling or contact with lead paint at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**.

This provision will also apply to any premises constructed prior to 1978 which receives such certification during the **policy period**, but only for **bodily injury** which occurs after such certification.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76597NJ (03-2015)

Endorsement Effective Date:

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

AMENDMENT TO NAMED INSURED

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that:

1. The section entitled WHO IS AN INSURED is amended as follows:

a. Paragraph A. is deleted and replaced by the following:

A. With respect to Coverage A – Excess Follow Form Liability:

(1) Any person or organization that is a Named Insured under the provisions of **underlying insurance** shall be considered a **Named Insured** under Coverage A Excess Follow Form Liability;

(2) Any person or organization included as an insured under the provisions of **underlying insurance** is an **Insured** under Coverage A – Excess Follow Form Liability;

but only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

a. Paragraph B. is amended to add the following as **Named Insureds** under Coverage B – Umbrella Liability:

Entities that are named insureds under the provisions of **underlying insurance**, but only while a **Named Insured** has management control over the entity during the **policy period**, subject to the following:

(1) the coverage provided by this insurance to such an entity does not apply to:

(a) **bodily injury** or **property damage** that occurred; or

(b) **personal and advertising injury** caused by an **incident** first committed;

before a **Named Insured** has management control or after a **Named Insured** ceases to have management control; and

(1) no person or organization is a **Named Insured**:

(a) with respect to the conduct of any current, past or newly formed partnership, limited liability company or joint venture that is not covered by this endorsement as a **Named Insured**; or

(b) if the person or organization is excluded by another endorsement attached to this policy.

For the purpose of this provision, management control means a **Named Insured**:

- has more than 50% ownership interest in the entity, directly or indirectly; or
- exercises management or financial control over the entity.

a. Paragraph C. is deleted and replaced by the following:

C. With respect to Coverage C – Crisis Event Management and Coverage D – Key Employee, any entity that qualifies as a **Named Insured** under Coverage A or Coverage B also qualifies as a **Named Insured** under Coverage C and Coverage D.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 67 of 68





**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

2. The section entitled **DEFINITIONS** is amended to delete the definition of **Named Insured** and replace it with the following:

Named Insured means the persons or organizations named as such in the Declarations, and any other organization qualifying as a **Named Insured** in the Section entitled WHO IS AN INSURED.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2020

Policy Page: 68 of 68

GROUP EXHIBIT F-5



CNA Paramount Excess and Umbrella Liability

Insured Name

SESI CONSULTING ENGINEERS
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Producer Information

USI INSURANCE SERVICES, LLC
180 PARK AVE 1ST FL
FLORHAM PARK, NJ 07932-1054

Policy Number

CUE 6056872810

Producer Processing Code

190-070108

Policy Period

12/23/2021 to 12/23/2022

CNA Branch

NEW JERSEY
184 Liberty Corner Road
Suite 402
Warren, NJ 07059

Thank you for choosing CNA!

With your CNA Paramount Excess and Umbrella Liability policy, you have insurance coverage tailored to meet the needs of your business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services

To file a claim contact us at:

Email: HPReports@CNA.com
Fax#: 800-446-8632
Phone Number: 866-909-5343
Mailing Address: Middle Market
CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Crisis Management Expenses

Please read your policy and any applicable endorsements regarding Crisis Management Expenses. You must report any Crisis Management Event to us as soon as reasonably practicable or within 72 hours of the event. The following are dedicated to crisis management reporting:

- Phone: 866-598-2528
- Fax: 866-508-1978
- E Mail: crisismanagement@cna.com
- Mailing Address: CNA, PO Box 8317, Chicago, IL 60680-8317

Please provide the following to report a Crisis Management Event:

- Name of Insured and Policy Number
- Callers name, title and contact telephone number
- A description of the incident



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**CNA Paramount Excess and Umbrella Liability
Table of Contents**

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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

POLICYHOLDER NOTICE - NEW JERSEY PLIGA SURCHARGE

IMPORTANT INFORMATION

"PLIGA" SURCHARGE FOR OUR NEW JERSEY COMMERCIAL LINES POLICYHOLDERS

Your policy premium includes a New Jersey Property - Liability Insurance Guaranty Association (PLIGA) surcharge. PLIGA protects consumers from insurance company insolvencies. The cost of this guaranty fund is assessed to all insurance companies in New Jersey; and in compliance with Department of Insurance Order No. A18-105, it is passed along to individual consumers via this surcharge.

The surcharge is 0.60% of your premium for all property/liability coverage except for life insurance, accident and health insurance, workers' compensation insurance, title insurance, annuities, surety bonds, credit insurance, mortgage guaranty insurance, municipal bond coverage, fidelity insurance, investment return assurance, ocean marine insurance, and pet health insurance.

For purposes of this surcharge and in compliance with New Jersey Insurance Department Regulation N.J.S.A. 17:30A-8a (3), the declarations page of this policy is the "premium bill."

If you have questions about the New Jersey - Liability Insurance Guaranty Association or this surcharge, please contact your independent CNA agent.

Form No: CNA62848NJ (02-2020)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 5 of 68

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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

POLICYHOLDER NOTICE - OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

IMPORTANT INFORMATION

**NOTICE - OFFER OF TERRORISM COVERAGE;
DISCLOSURE OF PREMIUM**

**THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR
CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 reauthorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. Beginning in 2020, the federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Calendar Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Calendar Year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Form No: CNA75532XX (01-2021)

Policyholder Notice Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 7 of 68



**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.

Form No: CNA75532XX (01-2021)

Policyholder Notice Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 8 of 68



CNA Paramount Excess and Umbrella Liability Policyholder Notice

POLICYHOLDER NOTICE – OFAC REQUIREMENTS

POLICYHOLDER NOTICE

CNA Commercial Insurance
CNA Plaza 38S-420
Chicago, IL 60685-0001

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Form No: CNA76614XX (03-2015)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 9 of 68



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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

POLICY LIMITATION DISCLOSURE NOTICE

This Disclosure Notice is not your policy. READ YOUR POLICY CAREFULLY to determine rights, duties, and what is and is not covered. Only the provisions of your policy determine the extent of your insurance protection.

This policy contains exclusions relating to asbestos and silica. As stated in the exclusions, the policy does not provide any coverage for liability arising out of the presence of or exposure to asbestos or silica.

9

INSURED

40020070108250001223062751407

Form No: CNA76626XX (07-2016)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 11 of 68

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**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
POLICY DECLARATIONS
Named Insured and Mailing Address

Named Insured:
SESI CONSULTING ENGINEERS

Mailing Address:
12A MAPLE AVE
PINE BROOK, NJ 07058-9837

Policy Information

Policy Number: 6056872810
Renewal of: 6056872810
Insurer's Name and Address:
The Continental Insurance Company
151 N Franklin St
Chicago, IL 60606

Producer Information

Producer:
USI INSURANCE SERVICES, LLC
180 PARK AVE 1ST FL
FLORHAM PARK, NJ 07932-1054
Producer Code: 190-070108

Policy Period

12/23/2021 to 12/23/2022 at 12:01 a.m. Standard Time at your mailing address.

Limits of Insurance

| | |
|--|-------------|
| Each Incident Limit | \$5,000,000 |
| Aggregate Limit | \$5,000,000 |
| Aggregate Products-Completed Operations Hazard Limit | \$5,000,000 |
| Policy Aggregate Limit | N/A |
| Crisis Management Expenses Aggregate Limit | \$300,000 |
| Key Employee Replacement Expenses Aggregate Limit | \$100,000 |

Self-Insured Retention

Self-Insured Retention \$10,000

Form No: CNA75501XX (03-2015)
Policy Declarations Page: 1 of 3
Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810
Policy Effective Date: 12/23/2021
Policy Page: 13 of 68




**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
Schedule of Underlying Insurance
Underlying Insurer
Policy Number
Policy Period
Note:
Underlying Insurance
Coverages
Limits of Insurance

 Continental Casualty
Company

General Liability

Each Occurrence Limit

\$1,000,000

6056872807

 12/23/2021 to
12/23/2022

General Aggregate Limit

\$2,000,000

Per Location : yes

Per Project : yes

 Products/ Completed Operations
Aggregate Limit

\$2,000,000

 Personal and Advertising Injury
Liability Limit

\$1,000,000

 American Casualty
Company of Reading,
Pennsylvania

Auto Liability

Combined Single Limit

\$1,000,000

6056872791

 12/23/2021 to
12/23/2022

 Continental Casualty
Company

 Employee Benefits
Liability

 Each Employee Limit
Aggregate Limit

\$1,000,000

\$1,000,000

6056872807

 12/23/2021 to
12/23/2022

Forms and Endorsements Attached to this Policy

See SCHEDULE OF FORMS AND ENDORSEMENTS

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 2 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 14 of 68


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
Premium

| | |
|--|-------------------------|
| Minimum Earned Premium | 0% of the Total Premium |
| Total Premium | |
| Premium includes the following amount for Certified Acts of Terrorism Coverage | |
| New Jersey Property & Liability Insurance Guaranty Association Surcharge | |

Notices
Notice to insurer

Address: CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Fax #: 800-446-8632

Email Address: HPRports@CNA.com

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 15 of 68



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**CNA Paramount Excess and Umbrella Liability
Policy Schedule**

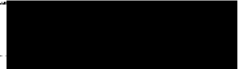
PAYMENT PLAN SCHEDULE

PAYMENT PLAN SCHEDULE

THE BILLING FOR THIS POLICY WILL BE FORWARDED TO YOU DIRECTLY FROM CNA.

**THIS PREMIUM WILL BE INVOICED BY CNA ON A SEPARATE STATEMENT ACCORDING TO THE PAYMENT
OPTION YOU SELECT.**

The premium amount for this transaction is:



INSURED

40020070108250001223062751410

Form No: CNA84401XX (12-2015)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 17 of 68

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CNA Paramount Excess and Umbrella Liability Policy Schedule

SCHEDULE OF FORMS AND ENDORSEMENTS

| Endorsement Number | Form Name | Form Number | Form Edition Date |
|--------------------|---|-------------|-------------------|
| 1 | CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY | CNA62814NJ | 09-2012 |
| 2 | PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT | CNA75518XX | 03-2015 |
| 3 | CHANGES - NOTICE OF CANCELLATION ENDORSEMENT | CNA75525XX | 03-2015 |
| 4 | EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT | CNA75576XX | 03-2015 |
| 5 | UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT | CNA76492XX | 03-2015 |
| 6 | COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT NEW JERSEY | CNA76597NJ | 03-2015 |
| 7 | AMENDMENT TO NAMED INSURED | CNA88301XX | 08-2017 |
| | POLICYHOLDER NOTICE - OFFER OF TERRORISM COVERAGE DISCLOSURE OF PREMIUM | CNA75532XX | 01-2021 |
| | POLICY DECLARATIONS | CNA75501XX | 03-2015 |
| | POLICYHOLDER NOTICE - NEW JERSEY PLIGA SURCHARGE | CNA62848NJ | 02-2020 |
| | POLICY LIMITATION DISCLOSURE NOTICE | CNA76626XX | 07-2016 |
| | PAYMENT PLAN SCHEDULE | CNA84401XX | 12-2015 |
| | POLICYHOLDER NOTICE OFAC REQUIREMENTS | CNA76614XX | 03-2015 |
| | PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY | CNA75504XX | 03-2015 |

Form No: CNA62640XX (09-2012)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 19 of 68



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CNA Paramount Excess and Umbrella Liability Policy

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

The "Insurer" refers to the insurer providing this insurance as set forth on the Declarations of this Policy. Words and phrases that appear in **bold** have special meaning. Refer to the section entitled **DEFINITIONS**.

I. COVERAGES

A. Coverage A - Excess Follow Form Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the applicable **underlying limits**. Coverage hereunder will attach only after the full amount of the applicable **underlying limits** have been exhausted through payment in legal currency of covered loss under all applicable **underlying insurance** and to which this Coverage A applies.

Coverage A under this Policy will then apply in conformance with the provisions of the applicable **underlying insurance** except for the premium, limits of insurance, deductible, retentions, or any defense obligations and any other terms and conditions specifically set forth in this Policy.

Upon exhaustion of the applicable **underlying limits**, the Insurer shall only pay for **damages** in excess of the applicable **underlying limits**. This Coverage A does not provide coverage for any loss not covered by the applicable **underlying insurance** except and to the extent that such loss is not paid under the applicable **underlying insurance** solely by reason of the exhaustion of the applicable **underlying limits** through payment of loss thereunder.

This Coverage applies:

1. if the applicable **underlying insurance** is on an occurrence basis, then only if that which must take place in the policy period of the **underlying insurance** in order to trigger coverage, takes place during this **policy period**; and
2. if the applicable **underlying insurance** is on a claims made basis, then only if:
 - a. that which must take place in the **underlying insurance** in order to trigger coverage, takes place after the retroactive date and prior to the end of the **policy period**; and
 - b. the **claim** is first made during the **policy period**.

B. Coverage B - Umbrella Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the **retained amount**:

1. that an **Insured** becomes legally obligated to pay because of **bodily injury**, **property damage** or **personal and advertising injury**; or
2. because of liability for **bodily injury** or **property damage** assumed under an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of such **insured contract**;

and provided that:

- a. the **bodily injury** or **property damage** occurs during the **policy period**;
- b. the **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**;

Form No: CNA75504XX (03-2015)

Policy Page: 1 of 32

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 21 of 68





CNA Paramount Excess and Umbrella Liability Policy

- c. the **personal and advertising injury** is caused by an offense arising out of the **Named Insured's** business; and
- d. the offense giving rise to **personal and advertising injury** was first committed during the **policy period** and in the **coverage territory**;

Provided, however, that **Coverage B - Umbrella Liability**:

- i. does not apply to:
 - (a) any part of **damages** to which **underlying insurance** applies; or
 - (b) any part of **damages** to which **underlying insurance** would have applied regardless of:
 - (1) the availability of **underlying insurance**; or
 - (2) the exhaustion of the applicable **underlying limits**;
 - (c) any **defense costs** related to **damages** as described in a. and b. above.
- ii. applies only if prior to the effective date of the **policy period**, no **authorized insured**:
 - (a) knew that such **bodily injury** or **property damage** had occurred, in whole or in part. If any **authorized insured** knew, prior to the **policy period**, that any such **bodily injury** or **property damage** had occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**; or
 - (b) knew that any offense giving rise to **personal and advertising injury** had occurred, in whole or in part.

Bodily injury or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any **authorized insured**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

An **authorized insured** will be deemed to know:

1. that such **bodily injury** or **property damage** occurred, at the earliest time when such **authorized insured**:
 - a. reports the **bodily injury** or **property damage** to the Insurer or any other insurer;
 - b. receives a **claim** arising out of the **bodily injury** or **property damage**; or
 - c. becomes aware by any other means that the **bodily injury** or **property damage** has occurred or has begun to occur;
2. that such offense giving rise to **personal and advertising injury** occurred, on the date of the first utterance or dissemination or, if there is no utterance or dissemination, then on the first date of the activity giving rise to a **claim**.

C. Coverage C - Crisis Management Expenses

The Insurer will reimburse the **Named Insured** for **crisis management expenses** incurred by the **Named Insured** as a direct result of its response to a **crisis management event** that first occurs during the **policy period**, provided:

- 1 such **crisis management event** is reported to the Insurer as soon as reasonably practicable following the **crisis management event**, or within 72 hours after such **crisis management event** begins if such **crisis management event** is likely to give rise to **bodily injury** or **property damage**;



CNA Paramount Excess and Umbrella Liability Policy

2. such **crisis management expenses** are incurred within 180 days after the **crisis management event** and reported to the Insurer as soon as reasonably practicable; and,
3. such **crisis management expenses** are approved in advance by the Insurer.

The period of time for which the Insurer will pay **crisis management expenses** will not be limited by the expiration of the **policy period**.

D. Coverage D – Key Employee

The Insurer will reimburse the **Named Insured** for **key employee replacement expenses** due to the **Named Insured's** permanent loss of the services of a **key employee** provided that:

1. the **Named Insured** would not have incurred such **key employee replacement expenses** if the **Named Insured** had not lost the services of the **key employee**;
2. such **key employee replacement expenses** are incurred by the **Named Insured** within 180 days of the **covered accident** and reported to the Insurer as soon as reasonably practicable;
3. such loss of service is caused by a **covered accident**;
4. the **covered accident** occurs during the **policy period**; and
5. a replacement for such **key employee** is hired within 180 days after the **covered accident**.

The period of time for which the Insurer will pay **key employee replacement expenses** will not be limited by the expiration of the **policy period**.

II. DEFENSE COSTS PAYMENT AND RELATED DUTIES

- A. The Insurer has the right and duty to defend any **suit**, and the right to assume control of the investigation and settlement of any **claim**, against the **Insured**, as follows:
 1. with respect to the **Coverage A - Excess Follow Form Liability**, upon exhaustion through payment in legal currency of the full amount of the applicable **underlying limits** over which **Coverage A** applies.
 2. with respect to the **Coverage B - Umbrella Liability**, upon receipt by the Insurer of a **claim** to which Coverage B applies.

When the Insurer has the duty to defend any **suit** and the right to investigate any **claim** but is prevented by law from doing so, the **Insured** will undertake such defense and investigation, and the Insurer will reimburse the **Insured** for the **defense costs**.

The Insurer's obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** does not apply if any other insurer has a duty to defend. Further, any obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** ceases upon exhaustion of the applicable limits of insurance of this Policy.

- B. The Insurer may, at the Insurer's sole discretion and at the Insurer's own cost, elect to participate in the investigation, settlement or defense of any **claim** against any of the **Insureds** for matters covered by this Policy even if the applicable **underlying limit** has not been exhausted.
- C. The Insurer will pay **defense costs** as follows:
 - 1 with respect to the **Coverage A - Excess Follow Form Liability**, **defense costs** are paid within or excess of the limits of insurance as set forth in the applicable **underlying insurance**.
 2. with respect to the **Coverage B - Umbrella Liability**, **defense costs** are paid in excess of and do not erode the limits of insurance or the **retained amount**.
- D Where the Insurer investigates a **claim** or defends a **suit**, the Insurer will do so even if the allegations of a **claim** are groundless, false, or fraudulent. If Insurer investigates a **claim** or defends a **suit**, Insurer will

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do so only until the Insurer:

1. makes payment of; or
2. offers to pay; or
3. deposits in court

that part of a judgment up to but not exceeding the Insurer's applicable limits of insurance.

- E. No **Insured** shall admit liability, consent to any judgment, agree to any settlement or make any settlement offer which is reasonably likely to involve this Policy without the Insurer's prior written consent, such consent not to be unreasonably withheld. The **Insureds** agree that they shall not knowingly take any action that increases the Insurer's exposure for **damages** or **defense costs** under this Policy.

III. EXCLUSIONS

A. Coverage A - Excess Follow Form Liability and Coverage B - Umbrella Liability Exclusions

With respect to both the **Coverage A- Excess Follow Form Liability** and **Coverage B -Umbrella Liability**, this Insurance does not apply to:

1. Access to or Disclosure of Confidential or Personal Information and Data-Related Liability

any actual or alleged **damages** arising out of:

- a. any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- b. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the **Named Insured** or others arising out of that which is described in paragraph a. or b. above.

However, unless paragraph a. above applies, this exclusion does not apply to **bodily injury** to the extent that such liability is covered by **underlying insurance**.

2. Asbestos

- a. any actual or alleged liability arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or
- b. any actual or alleged loss, cost or expense that may be awarded or incurred:
 - i. by reason of a **claim** for any such injury or damage; or
 - ii. in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of **asbestos**.

3. Damage to Impaired Property or Property not Physically Injured

any actual or alleged **property damage** to **impaired property** or property that has not been physically injured, arising out of:

- a. a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- b. a delay or failure by the **Named Insured** or anyone acting on the **Named Insured's** behalf to perform a contract or agreement in accordance with its terms.

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This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

4. Damage to Premises Rented or Occupied by the Named Insured

any actual or alleged **property damage** to premises rented to the **Named Insured** or in the case of damage by fire, while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the owner.

5. Distribution or Recording of Material or Information in Violation of Laws

any actual or alleged liability arising directly or indirectly out of any actual or alleged:

- a. violation of:
 - i. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - ii. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - iii. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
 - iv. any statute, ordinance, regulation or law other than the TCPA, CAN-SPAM Act of 2003, or FCRA, including FACTA, and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information; or
- b. conversion or consumption of another's tangible property or electronic assets. For the purpose of this provision, electronic assets include but are not limited to minute allowances, text message allowances, and other electronic consumables.

6. Employment Related Practices

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a. a person arising out of any actual or alleged:
 - i. refusal to employ that person;
 - ii. termination of that person's employment;
 - iii. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. the **spouse**, child, parent, brother or sister of that person as a consequence of such **bodily injury** or **personal and advertising injury** to that person at whom any of the employment-related practices described in paragraphs a. i., ii., or iii. above is directed.

This exclusion applies:

- a. whether the injury-causing event described in paragraphs a. i., ii., or iii. above occurs before employment, during employment or after employment of that person;
- b. whether the **Insured** may be liable as an employer or in any other capacity; and
- c. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, this exclusion does not apply to **bodily injury** a person sustains during a job interview while attempting to demonstrate a physical capability or skill required by the job to the extent that

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such liability is covered by **underlying insurance**.

7. ERISA

any actual or alleged liability arising out of any actual or alleged obligation of any **Insured** under the Employees Retirement Income Security Act of 1974 or any similar common or statutory law anywhere in the world including any amendments or additions thereto.

8. Nuclear Energy Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury**:

- a. with respect to which an **Insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of insurance;
- b. resulting from the **hazardous properties of nuclear material** and with respect to which:
 - i. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - ii. the **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- c. resulting from **hazardous properties of nuclear material**, if:
 - i. the **nuclear material**:
 - (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **Insured** or
 - (b) has been discharged or dispersed therefrom;
 - ii. the **nuclear material** is contained in **spent fuel or nuclear waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
 - iii. the **bodily injury, property damage or personal and advertising injury** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion applies only to **property damage** to such **nuclear facility** and any property thereat.
- d. Under any Medical Payments coverage, to expenses with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

Solely as used in this exclusion:

- (a) **property damage** includes all forms of radioactive contamination of property;
- (b) **hazardous properties** includes but is not limited to radioactive, toxic or explosive properties;
- (c) source material, special nuclear material, and by-product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

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9. Recall of Products, Work or Impaired Property

any actual or alleged loss, cost or expense incurred by the **Named Insured** or any person or entity, for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product, your work or impaired property**, if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

10. Unfair Competition/Antitrust Claims/RICO Claims

any actual or alleged liability arising out of any:

- a. unfair competition, dilution, deceptive trade practices, or civil actions for consumer fraud;
- b. charges of price fixing, monopolization or restraint of trade; or
- c. any violation of:
 - i. the Federal Trade Commission Act;
 - ii. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - iii. the Racketeer Influenced and Corrupt Organizations Act;
 - iv. any rules or regulations promulgated under or in connection with the above statutes; or
 - v. any state, federal or local statute or other law which similarly regulates business practices.

11. Uninsured/Underinsured Motorists

any actual or alleged liability arising out of any obligations under an uninsured/underinsured motorist law, a personal injury protection law, a reparations benefit law or other similar law.

12. War

any actual or alleged liability arising, directly or indirectly out of any:

- a. war, including undeclared or civil war;
- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Workers' Compensation and Similar Laws /Nonsubscriber Status

any actual or alleged liability arising out of any obligation of any **Insured**:

- a. under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- b. by reason of a statement of non-subscription on file with any applicable Worker's Compensation authority of any State indicating the **Named Insured** has chosen not to participate in the Workers Compensation system in accordance with laws of such state.

B. Coverage A - Excess Follow Form Liability Exclusions

With respect to **Coverage A - Excess Follow Form Liability**, this Insurance does not apply to:

1. Coverages Subject to a Sub Limit

any actual or alleged liability, loss, cost or expense covered under any **underlying insurance** which is

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subject to a sub limit.

2. Crisis Management Expenses

crisis management expenses except as provided for in **Coverage C** above even if such insurance is afforded under **underlying insurance** or would have been afforded but for the exhaustion of the **underlying limits**.

3. Pollution

- a. any actual or alleged **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - i. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured** except that this subparagraph does not apply to:
 - (a) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**; or
 - (b) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - ii. at or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom the **Named Insured** may be legally responsible; or
 - iv. at or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:
 - (a) If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor; except that this subparagraph does not apply to **bodily injury** or **property damage** arising out of:
 - (1) the escape of fuels, lubricants, or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury** or **property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **Insured**, contractor or subcontractor; or
 - (2) heat, smoke or fumes from a **hostile fire**; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**;
 - v. that are, or that are contained in property that is:
 - (a) being transported or towed by, or handled for movement into, onto or from a covered **auto**;
 - (b) otherwise in the course of transit; or

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- (c) being stored, disposed of, treated or processed in or upon the covered **auto** except that this subparagraph does not apply to fuels, lubricants, fluids, exhaust, gases or other similar **Pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts if the **pollutants** escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**;
- vi. before the **pollutants** or property in which the **pollutants** are contained are moved from the place where they are accepted by the **Insured** for movement into or onto the covered **auto**;
- or
- vii. after the **pollutants** or property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **Insured**.

Subparagraphs vi. and vii. do not apply if the **pollutants** or property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto** and the discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

- b. any actual or alleged **personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- c. any actual or alleged loss, cost or expense arising out of any:
- i. request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

However, if liability for **damages** because of **property damage** is not excluded by paragraph a. of this exclusion, then neither will paragraph c. above serve to exclude such **damages**.

C. Coverage B - Umbrella Liability Exclusions

With respect to the **Coverage B - Umbrella Liability**, this Insurance does not apply to:

1. Aircraft, Auto, Watercraft or Mobile Equipment

any actual or alleged **bodily injury, property damage, personal and advertising injury** arising out of the ownership, maintenance, operation, use, **loading or unloading** or entrustment to others of any:

- a. **aircraft** owned by any **Insured** or rented, loaned or chartered by or on behalf of any **Insured** without crew; or
- b. **autos, watercraft or mobile equipment**

This exclusion applies even if such **claim** against an **Insured** alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**.

This exclusion does not apply to:

- i. watercraft while ashore on premises the **Named Insured** owns or rents;
- ii. watercraft the **Named Insured** does not own that is:
 - (a) less than 55 feet long; and
 - (b) not being used to carry persons or property for a charge; or

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- iii. liability assumed under any **insured contract** for the ownership, maintenance or use of watercraft.

2. Contractual Liability

any actual or alleged **bodily injury, property damage** or **personal and advertising injury** for which an **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement other than an **insured contract**. This exclusion does not apply to liability that the **Insured** would have in the absence of such contract or agreement.

3. Damage to Property

any actual or alleged **property damage** to:

- a. property the **Named Insured** owns, rents, or occupies, including any costs or expenses incurred by the **Named Insured**, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. premises the **Named Insured** sells, gives away or abandons, if the **property damage** arises out of any part of those premises;
- c. property loaned to the **Named Insured**;
- d. personal property in the care, custody or control of the **Insured**;
- e. that particular part of real property on which the **Named Insured** or any contractors or subcontractors working directly or indirectly on its behalf are performing operations, if the **property damage** arises out of those operations; or
- f. that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph **b.** of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by the **Named Insured**.

Paragraphs **c.**, **d.**, **e.** and **f.** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **f.** of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

4. Damage to Your product

any actual or alleged **property damage** to **your product** arising out of it or any part of it.

5. Damage to Your work

any actual or alleged **property damage** to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**. This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the **Named Insured's** behalf by a subcontractor.

6. Employee Injury

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b. the **spouse**, child, parent, brother or sister of that **employee** as a consequence of **a.** above.

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This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **Insured** under an **insured contract**.

7. Expected or Intended injury

any actual or alleged **bodily injury** or **property damage** arising out of an act or omission:

- a. intended by an **Insured**; or
- b. that would be expected from the standpoint of a reasonable person in the circumstances of the **Insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. Fungi or Other Organic Pathogens

- a. any actual or alleged **bodily injury**, **property damage** or **personal and advertising injury** arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi** or **other organic pathogens**;
- b. any actual or alleged loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of **fungi** or **other organic pathogens** by any **Insured** or by anyone else; or
- c. any actual or alleged **property damage** caused by water where there also exists any **property damage** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi** or **other organic pathogens**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense.

9. Liquor Liability

any actual or alleged **bodily injury** or **property damage** for which any **Insured** may be held liable by reason of:

- a. causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on the **Insured's** premises, for consumption on the **Insured's** premises;
- b. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the **claims** against any **Insured** allege negligence or other wrongdoing in:

- i. the supervision, hiring, employment, training or monitoring of others by that **Insured**; or

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- ii. providing or failing to provide transportation with respect to any person that may be under the influence of alcohol,

if the **occurrence** which caused the **bodily injury** or **property damage** involved that which is described in paragraph a., b. or c. above.

10. Nonemployment Related Discrimination

any actual or alleged personal and advertising injury arising out of any actual or alleged nonemployment related discrimination committed intentionally against a person.

11. Personal and Advertising Injury

any actual or alleged **personal and advertising injury**:

a. Breach of Contract

arising out of breach of contract, except an implied contract to use another's advertising idea in the **Named Insured's advertisement**.

b. Criminal Acts or Conduct

arising out of any actual or alleged criminal act or omission committed by or at the direction of any **Insured**. This exclusion does not apply to the extent liability is imposed upon the **Insured** for acts or omissions of another committed without the knowledge or consent of the **Insured**.

c. Electronic Chat Rooms or Bulletin Boards

arising out of an electronic chat room or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

d. Infringement of Copyright, Patent, Trademark or Trade Secret

arising out of infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in the **Named Insured's advertisement**. However, this exclusion does not apply to infringement of copyright, trade dress or slogan in the **Named Insured's advertisement**.

e. Insureds in Media and Internet Type Businesses

committed by an **Insured** whose business is:

- i. advertising, broadcasting, publishing or telecasting;
- ii. designing or determining content or web-sites for others; or
- iii. an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraph A., B. or C. of **personal and advertising injury** as defined in the section entitled Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for the **Named Insured** or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

f. Knowing Violation of Rights of Another

caused by an actual or alleged offense, act or omission by or at the direction of the **Insured** if the **Insured** knew or should have known that such offense, act or omission would cause such **personal and advertising injury**.



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g. Material Published Prior To Policy Period

arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

h. Material Published with Knowledge of Falsity

arising out of written publication in any manner of material, if the **Insured** knew or should have known the material was false.

i. Quality or Performance of Goods – Failure to Conform to Statements

arising out of any failure of goods, products or services to conform to any statement of quality or performance made in the **Named Insured's advertisement**.

j. Unauthorized Use of Another's Name or Product

arising out of unauthorized use of another's name or product in the **Named Insured's** e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

k. Wrong Description of Prices

arising out of the wrong description of the price of goods, products or services stated in the **Named Insured's advertisement**.

12. Pollution

- a. any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- b. any actual or alleged loss, cost or expense arising out of any:
 - i. request, demand, order, or statutory or regulatory requirement that anyone test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants**.

13. Silica

- a. any actual or alleged **bodily injury** arising, in whole or in part, out of the actual, alleged or threatened respiration or ingestion at any time of **silica**; or
- b. any actual or alleged **property damage** arising in whole or in part out of the actual, alleged or threatened presence of **silica**.
- c. any actual or alleged **personal and advertising injury** arising, in whole or in part, out of the actual, alleged or threatened:
 - i. exposure at any time to; or
 - ii. presence at any time of;**silica**.

14. Terrorism

any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of any act of terrorism.

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D. Coverage D - Key Employee Exclusions

With respect to **Coverage D – Key Employee**, this insurance does not apply to any actual or alleged:

1. Death or Disability

death or permanent disability of a **key employee** relating to, or arising out of:

- a. nuclear reaction or radiation or radioactive contamination, however caused;
- b. sickness or disease, including mental illness or mental injury;
- c. pregnancy, childbirth, miscarriage or abortion;
- d. suicide, attempted suicide or self inflicted bodily injury, while sane or insane;
- e. the **key employee's** intoxication, impairment or otherwise being under the influence of alcohol or controlled substances;
- f. war, including undeclared or civil war;
- g. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- h. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Other Expenses

- a. expenses the **Named Insured** incurs which the **Named Insured** would not have incurred if the **Named Insured** had used all reasonable means to:
 - i. find a permanent replacement for the **key employee**; and
 - ii. reduce or discontinue the **key employee** replacement expense;
 as soon as possible after the **Named Insured's** permanent loss of the services of the **key employee** caused by a **covered accident**.
- b. additional expenses incurred due to the **Named Insured's** loss of the services of a permanent replacement appointed or hired to replace a **key employee**, however caused. However, this exclusion does not apply if the replacement employee is included in the definition as a **key employee** and the **Named Insured's** loss of the services of the replacement employee is caused by a **covered accident**.

IV. WHO IS AN INSURED

The following persons or organizations are **Insureds**.

A. With respect to **Coverage A - Excess Follow Form Liability**, the **Named Insured** and any persons or organizations included as an insured under the provisions of **underlying insurance** are **Insureds**, and then only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

B. With respect to the **Coverage B - Umbrella Liability**:

1. If the **Named Insured** is designated in the Declarations of this Policy as:

- a. an individual, the **Named Insured** and the **Named Insured's** spouse are **Insureds**, but only with respect to the conduct of a business of which the **Named Insured** is the sole owner.
- b. a partnership or joint venture, the **Named Insured** is an **Insured**. The **Named Insured's** members, the **Named Insured's** partners, and their spouses are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business.

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- c. a limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** members are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business. The **Named Insured's** managers are **Insureds**, but only with respect to their duties as the **Named Insured's** managers.
 - d. an organization other than a partnership, joint venture or limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** executive officers and directors are **Insureds**, but only with respect to their duties as the **Named Insured's** officers or directors. The **Named Insured's** stockholders are also **Insureds**, but only with respect to their liability as stockholders.
 - e. a trust, the **Named Insured** is an **Insured**. The **Named Insured's** trustees are also **Insureds**, but only with respect to their duties as trustees.
2. Each of the following are also **Insureds**:
- a. The **Named Insured's** volunteer workers but only while performing duties related to the conduct of the **Named Insured's** business.
 - b. The **Named Insured's** employees, other than either the **Named Insured's** executive officers (if the **Named Insured** is an organization other than a partnership, joint venture or limited liability company) or the **Named Insured's** managers (if the **Named Insured** is a limited liability company), but only for acts within the scope of their employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business.

However, none of these employees or volunteer workers are **Insureds** for:

- i. bodily injury or personal and advertising injury:
 - (a) to the **Named Insured**, to the **Named Insured's** partners or members (if the **Named Insured** is a partnership or joint venture), to the **Named Insured's** members (if the **Named Insured** is a limited liability company), to a co-employee while in the course of his or her employment or performing duties related to the conduct of the **Named Insured's** business, or to the **Named Insured's** other volunteer workers while performing duties related to the conduct of the **Named Insured's** business;
 - (b) to the spouse, child, parent, brother or sister of that co-employee or volunteer worker as a consequence of paragraph (i)(a) above;
 - (c) for which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraph i. (a) or (b) above; or
 - (d) arising out of his or her providing or failing to provide professional health care services.
- ii. property damage to property:
 - (a) owned, occupied or used by;
 - (b) rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

the **Named Insured**, any of the **Named Insured's** employees, volunteer workers, any partner or member (if the **Named Insured** is a partnership or joint venture), or any member (if the **Named Insured** is a limited liability company).

C. With respect to the **Coverage C - Crisis Event Management** and the **Coverage D - Key Employee**, the **Named Insured** is the **Insured**.

V. LIMITS OF INSURANCE

A. Multiple Insureds, claims, claimants

The limits of insurance shown in the Declarations of this Policy and the rules below fix the most the

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Insurer will pay regardless of the number of:

1. **Insureds;**
2. **claims** made or brought against the **Insured**;
3. persons or organizations making **claims** or bringing **claims**; and
4. coverages under this Policy.

B. Aggregate Limit

Subject to the paragraphs **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate limit is the most that the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for:

1. **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated; and
2. **damages** covered under the **products-completed operations hazard**.

The limits of insurance shown in the Declarations of this Policy apply to the entire **policy period**, regardless of length.

In addition, with respect to **Coverage A – Excess Follow Form Liability** only, the Aggregate limit shown in the Declarations of this Policy shall be applied in the same manner as the applicable Aggregate limits in the Schedule of **underlying insurance**.

C. Aggregate Products-Completed Operations Hazard

Subject to paragraph **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate Products-Completed Operations Hazard limit is the most that the Insurer will pay as **damages** arising out of the **products-completed operations hazard**, regardless of whether such **damages** are or otherwise would be covered in any way under more than one coverage.

D. Policy Aggregate Limit

This provision **D.** only applies if an amount is shown in the Declarations as the Policy Aggregate Limit.

Subject to the Each **Incident** limit, Aggregate limit and Aggregate **products-completed operations hazard** limit, the Policy Aggregate limit is the most the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated.

E. Each Incident

Subject to paragraphs **B.**, **C.** and **D.** above, the limit of insurance shown in the Declarations of this Policy as the Each **Incident** limit is the most the Insurer will pay for the sum of all **damages** arising out of any one **incident** under this Policy, regardless of which coverage applies.

F. Crisis Management

Solely with respect to **Coverage C – Crisis Management Expenses**, the most the Insurer will pay is the limit of insurance shown on the Declarations of this Policy as the **Crisis Management Expenses** Aggregate limit, regardless of the number **crisis management events** for which **crisis management expenses** are incurred. **Crisis management expenses** are not subject to the **retained amount**.

The **Crisis Management Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Crisis Management Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

G. Key Employee Replacement Expenses

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Solely with respect to **Coverage D – Key Employee**, the most the Insurer will pay for **key employee replacement expenses** is the **Key Employee Aggregate** limit shown on the Declarations of this Policy, regardless of the number **key employees** for which **key employee replacement expenses** are incurred. **Key employee replacement expenses** are not subject to the **retained amount**.

The **Key Employee Replacement Expenses Aggregate** limit of insurance is in addition to and will not erode any other limits of this Policy. The **Key Employee Replacement Expenses Aggregate** limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

H. Defense Costs

Defense costs are either paid within or are in excess of the limits of insurance as set forth in paragraph **C.** of the section entitled **Defense Costs Payment and Related Duties**.

I. Exhaustion or Reduction of Applicable Underlying Limit

Solely with respect to **Coverage A - Excess Follow Form Liability**, if the applicable **underlying limits** are:

1. reduced solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) **Coverage A** will apply in excess of the remaining amount of such applicable **underlying limit**; or
2. exhausted, solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) then **Coverage A** will apply, subject to this Policy's limit of insurance provision and to the remaining terms and provisions and conditions of this Policy in place of such exhausted applicable **underlying limit**.

If any loss covered under any **underlying insurance** is subject to a **sub-limit** (whether or not such **sub-limit** erodes the limits generally available to all claims), then the **underlying limits** shall not be deemed depleted by payment of any such **sub-limits**.

Nothing herein shall serve to increase the limits of insurance shown in the Declarations of this Policy.

VI. CONDITIONS

A. Appeals

If the **Named Insured** or its **underlying insurers** elect not to appeal a judgment in excess of the limits of insurance afforded by the **underlying insurance** the Insurer may elect to appeal at the Insurer's expense. The Insurer's limits of insurance shall not be increased because of such appeal. However, the Insurer will pay the following costs and expenses:

1. all premium bonds to release attachments for an amount not in excess of the applicable limit of insurance of this policy;
2. all premiums on appeal bonds required in such defended **claims**, but without obligation to apply for or furnish such bonds;
3. court fees; and
4. costs and expenses taxed against the **Named Insured** by the appellate court and interest accruing after entry of a judgment against the **Named Insured** and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance of this Policy. Where the **underlying insurers** terminate their liability to pay interest on the judgment by an offer to pay their limits, the **Named Insured** shall demand that such limits be paid. If the appeal is successful, such amounts not obligated to be paid shall be returned to such **underlying insurer**.

B. Cancellation and Nonrenewal

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The Cancellation/Nonrenewal provisions are as set forth in the Cancellation/Nonrenewal Endorsement attached to this Policy.

C. Changes to the Policy

Notice to any of the Insurer's agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy, nor will such notice prevent the Insurer from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued by the Insurer to form a part of this Policy.

D. Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by the Insurer would have led to refusal by the Insurer to make this contract or provide coverage, or to make this contract or provide coverage on different terms or conditions, will be deemed material.

E. Duties of the First Named Insured on the Declarations of this Policy

The **First Named Insured**, on behalf of all others, will be:

1. authorized to make changes in the terms of this Policy with the consent of the Insurer;
2. the payee of any premiums the Insurer refunds;
3. responsible for:
 - a. remitting the payment of all premiums due, but all **Named Insureds** jointly and severally agree to make such payments in full if the **First Named Insured** fails to pay the amount due within 10 days after the Insurer give written notice or demand;
 - b. keeping records of the information the Insurer requires for premium computation, and sending copies of such records at such times as requested by the Insurer;
 - c. notifying the Insurer that the **First Named Insured** on behalf of all others wants to cancel this Policy; and
 - d. providing any notice required under this Policy.

F. Economic and Trade Sanctions

This Policy does not provide coverage for an **Insured**, transaction or that part of loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

G. Entire Contract

By acceptance of this Policy, the **Insureds** agree that this Policy, including all endorsements to this Policy, constitute the entire contract existing between the parties relating to this insurance.

H. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or spouse outside the scope of such person's capacity or status as such provided however that this sentence does not apply to the spouse of:

1. a sole proprietorship **Named Insured**; or

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2. members or partners of joint venture or partnership **Named Insureds**.

Examination of the Named Insured's Books and Records

The Insurer may examine and audit the **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

J. Financial Impairment

Bankruptcy, rehabilitation, receivership, liquidation or other financial impairment of the **Named Insured** or an **underlying insurer** shall neither relieve nor increase any of the Insurer's obligations under this Policy.

In the event there is diminished recovery or no recovery available to the **Named Insured** as a result of financial impairment of an **underlying insurer**, the coverage under this Policy shall apply only in excess of the **underlying limits**. Under no circumstances shall the Insurer be required to drop down and replace the **underlying limits**, or assume the obligations of the **Named Insured** or the financially impaired insurer.

K. Headings

The description in the headings and subheadings of this Policy is solely for convenience, and forms no part of the terms and conditions of coverage.

L. Inspections and Surveys

The Insurer has the right but is not obligated to:

1. make inspections and surveys at any time;
2. give the **Named Insured** reports on the conditions it finds;
3. recommend changes; or
4. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

1. make safety inspections;
2. undertake to perform the duty of any organization to provide for the health or safety of workers or the public; nor
3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

This provision applies not only to the Insurer, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, recommendations, reports, or gives loss control or prevention advice, on its behalf.

M. Legal Action Limitation

No person or organization has a right under this Policy:

1. to join the Insurer as a party or otherwise bring the Insurer into a **suit** asking for **damages** from an **Insured**; or
2. to sue Insurer on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an **Insured**; but the Insurer will not be liable for **damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An "agreed settlement" means a settlement and release of liability signed by the Insurer, the **Insured** and the claimant or the claimant's legal representative.

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N. Maintenance of Underlying Insurance

Solely with respect to **Coverage A - Excess Follow Form Liability**, while this Policy is in force the **First Named Insured** agrees that the **underlying insurance** and renewals and replacements thereof shall be maintained, without alterations of terms or conditions, in full effect during the term of this Policy; except for reduction or exhaustion of the limits of insurance in the **underlying insurance**, provided that such reduction or exhaustion is solely the result of **incidents** covered under this Policy.

If the **First Named Insured** fails to maintain **underlying insurance**, this condition shall not invalidate this Policy. However, in the event of such failure, the Insurer will only be liable to the same extent as if such **underlying insurance** was in full force and effect without alteration of its terms and conditions.

O. Notice of Claims/Crisis Management Event/Covered Accident

1. Solely with respect to **Coverage A - Excess Follow Form Liability**, if any **underlying insurance** is a policy issued by the Insurer or any of its affiliates, then notice of any **claim** under such **underlying insurance** is notice to the Insurer under this Policy.
2. It is a condition precedent to coverage under this Policy that:
 - a. subject to paragraph b. below, the **Insured** notify the Insurer as soon as practicable of an **incident** which an **Insured** believes may result in a **claim**. To the extent possible, notice should include:
 - i. how, when and where the **incident** took place;
 - ii. the names and addresses of any injured persons and witnesses; and
 - iii. the nature and location of any injury or damage arising out of the **incident**.
 - b. the **Insured** notify the Insurer as soon as practicable of an **incident** if it involves:
 - i. a demand against the **Insured** which exceeds 50% of any remaining applicable **underlying limit**;
 - ii. any **underlying insurance** reserve or monetary exposure exceeding \$500,000; or
 - iii. any of the following:
 - (a) brain damage, including but not limited to any neurological impairment of infants or adults and coma;
 - (b) spinal cord injury, including but not limited to paraplegia or quadriplegia;
 - (c) loss of any organ;
 - (d) severe disfigurement, including but not limited to burns and amputations; or
 - (e) death.
 - c. if a **claim** is made against any **Insured**, the **Named Insured**:
 - i. will immediately record the specifics of the **claim** and the date received and notify the Insurer of such **claim**;
 - ii. will immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
 - iii. will authorize the Insurer to obtain records and other information;
 - iv. will cooperate with the Insurer in the investigation or settlement of the **claim** or defense against the **suit**;

will assist the Insurer, upon its request, in the enforcement of any right against any person



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or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply; and

- vi. will not voluntarily make a payment, except at its own cost, assume any obligation, or incur any expense, other than for first aid, without the Insurer's prior consent.

3. Cooperation

With respect to both **Coverage A - Excess Follow Form Liability** and **Coverage B - Umbrella Liability**, the **Named Insured** will cooperate with the Insurer in addressing all **claims** required to be reported to the Insurer in accordance with this paragraph **O. Notice of Claims/Crisis Management Event/Covered Accident**, and refuse, except solely at its own cost, to voluntarily, without the Insurer's approval, make any payment, admit liability, assume any obligation or incur any expense related thereto.

P. Notices

Any notices required to be given by an **Insured** shall be submitted in writing to the Insurer at the address set forth in the Declarations of this Policy.

Q. Other Insurance

If the **Insured** is entitled to be indemnified or otherwise insured in whole or in part for any **damages** or **defense costs** by any valid and collectible **other insurance** for which the **Insured** otherwise would have been indemnified or otherwise insured in whole or in part by this Policy, the limits of insurance specified in the Declarations of this Policy shall apply in excess of, and shall not contribute to a **claim, incident** or such event covered by such **other insurance**.

With respect to **Coverage A - Excess Follow Form Liability** only, if:

- a. the **Named Insured** has agreed in writing in a contract or agreement with a person or entity that this insurance would be primary and would not seek contribution from any other insurance available;
- b. **Underlying Insurance** includes that person or entity as an additional insured; and
- c. **Underlying Insurance** provides coverage on a primary and noncontributory basis as respects that person or entity;

then this insurance is primary to and will not seek contribution from any insurance policy where that person or entity is a named insured.

R. Premium

All premium charges under this Policy will be computed according to the Insurer's rules and rating plans that apply at the inception of the current **policy period**. Premium charges may be paid to the Insurer or its authorized representative.

S. In Rem Actions

A quasi *in rem* action against any vessel owned or operated by or for a **Named Insured**, or chartered by or for a **Named Insured**, will be treated in the same manner as though the action were *in personam* against the **Named Insured**.

T. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Policy to the **First Named Insured**, this insurance applies:

- 1. as if each **Named Insured** were the only **Named Insured**; and
- 2. separately to each **Insured** against whom a **claim** is made.

U. Transfer of Interest

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Assignment of interest under this policy shall not bind the Insurer unless its consent is endorsed hereon.

V. Unintentional Omission

Based on Insurer's reliance on the **Named Insured's** representations as to existing hazards, if the **Named Insured** should unintentionally fail to disclose all such hazards at the effective date of this Policy, the Insurer will not deny coverage under this Policy because of such failure.

W. Waiver of Rights of Recovery

The Insurer waives any right of recovery it may have against any person or organization because of payments the Insurer makes under this Policy if the **Named Insured** has agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. is in effect or becomes effective during the **policy period**; and
2. was executed prior to loss.

VII. DEFINITIONS

For purposes of this Policy, words in bold face type, whether expressed in the singular or the plural, have the meaning set forth below.

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the **Named Insured's** goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- A. notices that are published include material placed on the Internet or on similar electronic means of communication; and
- B. regarding web-sites, only that part of a web-site that is about the **Named Insured's** goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.

Aircraft means any machine or device that is capable of atmospheric flight.

Arbitration proceeding means a formal alternative dispute resolution proceeding or administrative hearing to which an **Insured** is required to submit by statute or court rule or to which an **Insured** has submitted with the Insurer's consent.

Asbestos means the mineral in any form whether or not the asbestos was at any time airborne as a fiber, particle or dust, contained in or formed a part of a product, structure or other real or personal property, carried on clothing, inhaled or ingested, or transmitted by any other means.

Authorized Insured means any **executive officer**, member of the **Named Insured's** risk management or in-house general counsel's office, or any **employee** authorized by the **Named Insured** to give or receive notice of a **claim**.

Auto means:

- A. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- B. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, **auto** does not include **mobile equipment**.

Bodily injury means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the bodily injury, sickness or disease.

Claim means a:

- A. **suit**; or

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B. written or oral demand for **damages** alleging injury to which this insurance applies.

Coverage territory means:

- A. the United States of America (including its territories and possessions), Puerto Rico and Canada;
- B. international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph A. above; or
- C. all other parts of the world if the injury or damage arises out of:
 - 1. goods or products made or sold by the **Named Insured** in the territory described in paragraph A. above;
 - 2. the activities of a natural person whose home is in the territory described in paragraph A. above, but is away for a short time on the **Named Insured's** business; or
 - 3. an offense that take place through the Internet or similar electronic means of communication, provided that the **Insured's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in paragraph A. above or in a settlement the Insurer agrees to.

Covered accident means a sudden and unexpected event, which solely and independently of any other cause results in the **key employee's** death or **permanent disability** within one year after the date of the sudden event.

Crisis management event means an event that an **executive officer** reasonably believes has resulted or may result in significant adverse regional or national media coverage and a claim for:

- A. **bodily injury, property damage** or any of the following **personal and advertising injury** offenses:
 - 1. false arrest, detention or imprisonment;
 - 2. malicious prosecution or abuse of process; or
 - 3. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor; and
- B. **damages** to which this insurance applies, that are in excess of any applicable:
 - 1. **underlying limits**; or
 - 2. **retained amount**.

Crisis management expenses means **crisis management public relations expenses** and **crisis management other expenses** provided however **crisis management expenses** do not include any of the following:

- A. salary, wages, or benefits of the **Named Insured** or the **Named Insured's employees**;
- B. loss of business income;
- C. costs to acquire, repair or replace real or personal property; or
- D. expense to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by a **Named Insured**.

Crisis management public relations expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to hire a **crisis management firm**;
 - B. to set up call centers or similar inquiry management system to manage inquiries from, or to directly contact, individuals or entities that may be directly impacted by such **crisis management event**;
- to create and deliver notification letters to contact individuals or entities that may be directly impacted

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by the **crisis management event**; or

- D. other related miscellaneous expenses.

Crisis management other expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to pay medical expenses, funeral expenses, psychological counseling expenses, travel expenses, and temporary living expenses of a third party who incurs **bodily injury**, or a family member of such third party, by reason of such **crisis management event**;
- B. for travel expenses incurred by or on behalf of **Insureds** and at the direction of the **crisis management firm**;
- C. to secure the scene of a **crisis management event**; and
- D. other related miscellaneous expenses.

Crisis management firm means a public relations firm, law firm or crisis management firm approved by the Insurer to provide media management services and to respond to actual or anticipated adverse publicity arising out of a **crisis management event** or **covered accident**.

Damages means the amount an **Insured** is legally obligated to pay, either through:

- A. final adjudication of a **claim**; or
- B. through compromise or settlement of a **claim** with the Insurer's written consent or direction, because of covered **incidents**. In addition, **damages** includes the above-mentioned sums only after deducting all other recoveries and salvages.

However, **damages** does not include:

- 1. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
- 2. injunctive or declaratory relief;
- 3. any amount that is not insurable under any applicable law; or
- 4. plaintiff's attorney fees associated with any of the above.

Notwithstanding paragraph 3. above, **damages** shall include (subject always to this Policy's other terms, conditions and limitations) punitive and exemplary damages the enforceability of which shall be governed by such applicable law that most favors coverage for **damages**:

Defense costs mean:

- A. reasonable and necessary fees, costs, and expenses incurred by the Insurer or consented to by the Insurer and incurred by the **Named Insured** in the defense or appeal of a covered **suit** or in the investigation of any covered **claim**, and includes premium for appeal bonds arising out of a covered judgment, attachment bonds or similar bonds, but only for bond amounts up to the applicable limit of insurance. In addition, the Insurer will pay up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which **bodily injury** coverage applies. The Insurer has no obligation to provide such bonds.
- B. prejudgment interest awarded against an **Insured** on that part of a judgment covered by this policy. If the Insurer makes an offer to pay the applicable limit of insurance, the Insurer will not pay any prejudgment interest based on that period of time after the offer.

post judgment interest which accrues after entry of judgment, but before the Insurer has paid or offered to pay, or deposited in court that part of the judgment which is within the limit of insurance of this
- C. Policy. The amount of interest the Insurer pays will be in direct proportion to the amount of **damages**



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the Insurer pays in relation to the total amount of the judgment.

- D. all reasonable expenses incurred by a natural person **Insured** at the Insurer's request to assist the Insurer in the investigation or defense of the **claim**. This includes such **Insured's** actual loss of earnings up to \$750 per day, because of time off from work.
- E. all court costs taxed against the **Insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.

Electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Employee includes **leased workers** or employees loaned to the **Insured**. **Temporary workers** are not **employees**.

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

- A. director, officer, trustee or governor of a corporation;
- B. management committee member of a joint venture;
- C. partner of a partnership;
- D. manager of a limited liability company; and
- E. trustee of a trust.

An **executive officer** is not an **employee**.

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations of this Policy.

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. However, **fungi** does not include any fungi intended by the **Insured** for human consumption.

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Impaired property means tangible property, other than **your product** or **your work** that cannot be used or is less useful because:

- A. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- B. the **Named Insured** has failed to fulfill the terms of a contract or agreement,

if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work**; or the **Named Insured's** fulfilling the terms of the contract or agreement.

Incident means:

- A. with respect to **Coverage A - Excess Follow Form Liability**, a covered event as defined in applicable underlying insurance;
- B. solely with respect to **Coverage B - Umbrella Liability**:
 - 1. with respect to **bodily injury** and **property damage**, **incident** means an **occurrence**; or
 - 2. with respect to **personal and advertising injury**, **incident** means an offense that gives rise to such **personal and advertising injury**.

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Insured means any person or organization set forth in the section entitled **WHO IS AN INSURED**.

Insured contract means:

- A. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner is not an **insured contract**;
- B. a sidetrack agreement;
- C. an easement or license agreement; except in connection with construction or demolition operations on or within 50 feet of a railroad;
- D. an obligation, as required by ordinance, to indemnify a municipality except in connection with work for a municipality;
- E. an elevator maintenance agreement; or
- F. the part of any other contract or agreement pertaining to its business (including an indemnification of a municipality in connection with work performed for a municipality) under which the **Named Insured** assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization, provided the **bodily injury** or **property damage** is caused, in whole or in part, by the **Named Insured** or by those acting on its behalf. However, such part of a contract or agreement shall only be considered an **insured contract** to the extent the **Named Insured's** assumption of the tort liability is permitted by law. "Tort liability" means liability that would be imposed by law in the absence of contracts or agreements. This paragraph F. does not include that part of a contract or agreement:
 - 1. that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - 2. that indemnifies an architect, engineer or surveyor for **bodily injury** or **property damage** arising out of:
 - a preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b giving directions or instructions, or failing to give them, if that is the primary cause of the **bodily injury** or **property damage**;
 - 3. under which an **Insured**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of such **Insured's** rendering or failure to render professional services, including those listed in paragraph 2. above and supervisory, inspection, architectural or engineering activities; or
 - 4. that indemnifies a person or organization for damage by fire to premises rented to or loaned to an **Insured**.

Key employee means any of the following officer and employment positions:

- A. Chief Executive Officer;
- B. Chief Operating Officer;
- C. Chief Financial Officer;
- D. Corporate Secretary;
- E. Treasurer;
- F. Executive Vice President; and

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G. Risk Manager

Key employee also means anyone added as such by endorsement to the Policy.

Key employee replacement expenses means the actual and necessary expenses incurred by the **Named Insured**:

- A. to continue the performance of the **key employee's** normal job responsibilities, with comparable quality, while a permanent replacement for the **key employee** is being sought, appointed or hired, and trained.
- B. to find a qualified permanent replacement to fill the **key employee's** position:
 1. costs of advertising the employment position opening;
 2. travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 3. miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the job applicants and legal expenses incurred to draw up employment contracts.
- C. to minimize the amount of **key employee replacement expenses**, but only to the extent the amount of **key employee replacement expenses** otherwise payable under paragraphs 1. and 2. above are reduced.
- D. to relocate the replacement employee to an area within a reasonable commute from their place of employment.
- E. to pay the following reasonable and necessary expenses incurred in connection with the death or permanent disability of any **key employee**:
 1. to hire a **crisis management firm**.
 2. to create and deliver notification letters to contact individuals or entities that may be directly impacted by the **key employee covered accident**; or
 3. other related miscellaneous expenses
- F. **Key employee replacement expenses** also include first year amounts of the replacement employee's:
 1. annual base starting salary;
 2. employee perquisite costs; and
 3. employee benefit costs;

in excess of the amounts which would have been incurred for the **key employee** if the **Named Insured** had not lost the services of the **key employee**. However, the Insurer will not pay more for these expenses than 10% of the amounts which would have been incurred for the **key employee**.

Key employee replacement expenses do not include the following:

- a. any expenses which would have been incurred by the **Named Insured** for the **key employee** if the **Named Insured** had not lost the services of the **key employee**;
- b. any **key employee replacement expenses** that are paid for by any **other insurance**;
- c. except as provided in paragraph F. above, salary, wages, or benefits of the **Named Insured**, the **Named Insured's employees**, the **Named Insured's temporary workers** or **volunteer workers**;
- d. costs to acquire, repair or replace real or personal property;
- e. the **Named Insured's** loss of business income;
- f. expenses incurred by or on behalf of the **Named Insured** to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by the **Named Insured**; and

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- g. expenses incurred by or on behalf of the **Named Insured** due to **bodily injury, property damage, or personal and advertising injury**.

Leased worker means a person leased to the **Named Insured** by a labor leasing firm under an agreement between the **Named Insured** and such labor leasing firm, to perform duties related to the conduct of the **Named Insured's** business. **Leased worker** does not include a **temporary worker**.

Loading or unloading means the handling of property:

- A. after it is moved from the place where it is accepted for movement into or onto an **aircraft, watercraft or auto**;
- B. while it is in or on an **aircraft, watercraft or auto**; or
- C. while it is being moved from an **aircraft, watercraft or auto** to the place where it is finally delivered.

However, **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **aircraft, watercraft or auto**.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- A. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- B. vehicles maintained for use solely on or next to premises the **Named Insured** owns or rents;
- C. vehicles that travel on crawler treads;
- D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1. power cranes, shovels, loaders, diggers or drills; or
 - 2. road construction or resurfacing equipment such as graders, scrapers or rollers;
- E. vehicles not described in A., B., C. or D. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - 2. cherry pickers and similar devices used to raise or lower workers; and
- F. vehicles not described in A., B., C. or D. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - 1. equipment designed primarily for:
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing; or
 - c. street cleaning;
 - 2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - 3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, **mobile equipment** does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are

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considered autos.

Named Insured means the persons or organizations named as such in the Declarations of this Policy.

Nuclear facility means:

- A. any nuclear reactor;
- B. any equipment or device designed or used for:
 - 1. separating the isotopes of uranium or plutonium;
 - 2. processing or utilizing spent fuel; or
 - 3. handling, processing or packaging nuclear waste;
- C. any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of any Insured at the premises where such equipment is located consists of or contains more than:
 - 1. 25 grams of plutonium or uranium 233 or any combination thereof; or
 - 2. 250 grams of uranium 235; and
- D. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of nuclear waste;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear material means source material, special nuclear material, or by-product material as these terms are defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear reactor means an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Waste means waste material:

- A. containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material (as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof) content; and
- B. resulting from the operation by any person or organization, of a nuclear facility included within paragraphs A. and B. of the definition of nuclear facility.

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Other insurance means any:

- A. valid and collectible policy of insurance;
- B. self insurance; or
- C. indemnity agreement by which an Insured arranges for funding or transferring its liabilities

that provides coverage that this Policy also provides. **Other insurance** does not include underlying insurance or any policy that was bought specifically to apply in excess of the limits of insurance shown in the Declarations of this Policy.

Other organic pathogens means any organic irritant or contaminant other than fungi, including but not limited to bacteria, microbes and viruses (whether or not a microorganism), that cause infection and disease.

Other organic pathogens includes any spores, mycotoxins, odors, variants, mutations, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of such

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pathogens, and any colony or group of the foregoing.

However, **other organic pathogens** does not mean pathogens that were transmitted directly from person to person.

Permanent disability means permanent physical inability, or mental inability due to a permanent physical inability, of the **key employee** to perform the normal duties of the applicable position for which the individual qualifies as a **key employee**.

Personal and advertising injury means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution or abuse of process;
- C. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor;
- D. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E. oral or written publication, in any manner, of material that violates a person's right of privacy;
- F. the use of another's advertising idea in the **Named Insured's advertisement**; or
- G. infringing upon another's copyright, trade dress or slogan in the **Named Insured's advertisement**.

Policy period means the time from 12.01 A.M. on the effective date of this Policy as set forth in the Declarations of this Policy to the earlier of 12.01 A.M. of the expiration, termination or cancellation date of this Policy.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes medical waste and materials to be recycled, reconditioned or reclaimed.

Products-completed operations hazard means **bodily injury** or **property damage** occurring away from premises the **Named Insured** owns or rents and arising out of **your product** or **your work** except:

- A. products that are still in the **Named Insured's** physical possession; or
- B. work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - 1. when all of the work called for in the **Named Insured's** contract has been completed;
 - 2. when all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or
 - 3. when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

However, **products-completed operations hazard** does not include **bodily injury** or **property damage** arising out of:

- A. the transportation of property, unless **bodily injury** or **property damage** arises out of a condition in or on a vehicle not owned or operated by the **Named Insured**, and that condition was created by the **loading** or **unloading** of that vehicle by any **Insured**;
- B. the existence of tools, uninstalled equipment or abandoned or unused materials; or

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- C. products or operations for which the **underlying insurer** states that products-completed operations are subject to the General Aggregate Limit.

Property damage means:

- A. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **incident** that caused it.

However, **electronic data** is not tangible property.

Retained amount means the self insured retention as set forth on the Declarations of this Policy or the amount payable by **other insurance**, whichever is greater.

Silica means the chemical compound silicon dioxide (SiO₂) in any form, including dust which contains silicon dioxide.

Spouse means any husband, wife or partner in a marriage or civil union or any person qualifying as a domestic partner under any federal, state or local laws or under the **Named Insured's** employee benefit plans or employee benefits program.

Sub limit means a limit that is lower than the **underlying limits**.

Suit means a civil proceeding in which **damages** because of injury or damage to which this insurance applies are alleged, including:

- A. an **arbitration proceeding** alleging such **damages**; or
- B. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with the Insurer's consent.

Temporary worker means a worker who is furnished to the **Named Insured** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Underlying insurance means policies of insurance listed in the Schedule of **Underlying Insurance** including renewal or replacement of such insurance which is neither more restrictive nor more broad than that listed in the aforementioned Schedule of **Underlying Insurance**.

Underlying insurer means the insurer providing the **underlying insurance**. It does not include any insurer whose policies were purchased specifically to be in excess of this policy.

Underlying limits means the limits of insurance as set forth in the Schedule of **Underlying Insurance**.

Volunteer worker means a person who is not an **employee** and who donates his or her work and acts at the direction of or within the scope of duties determined by the **Named Insured** and is not paid a fee, salary or other compensation by the **Named Insured** or anyone else for their work performed for the **Insured**.

Your product means:

- A. means:
 1. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. the **Named Insured**;
 - b. others trading under the **Named Insured's** name; or
 - c. a person or organization whose business or assets the **Named Insured** has acquired; and
 2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

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B. includes:

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
2. The providing of or failure to provide warnings or instructions.

C. does not include vending machines or other property rented to or located for the use of others but not sold.

Your work:

A. means:

1. work or operations performed by the **Named Insured** or on its behalf; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. Includes:

1. warranties or representations made with respect to the fitness, quality, durability, performance or use of **your work**, and
2. the providing of or failure to provide warnings or instructions.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by the Insurer's Chairman and Secretary, but this Policy shall not be binding upon the Insurer unless completed by the attachment of the Declarations of this Policy and signed by the Insurer's duly authorized representative if required.

Chairman of the Board

Secretary

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY

Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insureds" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL

I. CANCELLATION

- A. The first Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
- B. The Insurer may cancel the policy at any time and for any reason within the first sixty (60) days. The Insurer will mail or deliver written notice of cancellation at least ten (10) days prior to the effective of such cancellation if cancellation is for nonpayment or existence of a moral hazard as defined by NJAC 11:1-20.2(f) and thirty (30) days if for any other reason.
- C. If the policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:
 1. May be canceled for any underwriting reason set forth in our underwriting guidelines which were in effect at the policy inception. The underwriting guidelines must not be arbitrary, capricious or unfairly discriminatory.
 2. The following text sets forth certain approved reasons for midterm cancellations as approved guidelines. While an Insurer may issue other guidelines, it appears that an Insurer should limit its guidelines for midterm cancellation to those the Department has approved to avoid the possibility that the Department might rescind a cancellation.
 3. All underwriting reasons or guidelines utilized by the Insurer to cancel or non-renew the policy will be maintained by Insurer in writing and will be available to the Named insured or the Named Insured's lawful representatives upon written request.
 4. Only those guidelines which are in effect at the inception of the original policy or any renewal thereof, as applicable, may be utilized to cancel during the policy period.
 5. The following guidelines are approved for use:
 - a. Non-payment of premium;
 - b. Moral hazard, which is defined as:
 - i. The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a "moral hazard;" and
 - ii. The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability which we will be held responsible. Any change in the character or circumstances of an individual, corporate,

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Endorsement Effective Date:

Endorsement Expiration Date:

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

partnership or other insured that will increase probability of such a loss or liability may be considered a "moral hazard."

- c. Material misrepresentation or non-disclosure of material fact.
- d. Increased hazard or material change in the risk by the parties at inception of coverage.
- e. Substantial breaches of policy provisions that materially affect the nature and/or insurability of the risk.
- f. Lack of cooperation on loss control matters which materially affect insurability.
- g. Fraudulent acts which materially affects the risk.
- h. Loss of or reduction in available insurance capacity. This is an acceptable reason for cancellation only if the following exists:
 - i. an insurance department has declared insured to be financially impaired.
 - ii. substantial reductions in reinsurance or other changes which prohibit us from providing coverage at the same limits and terms as the existing policy; or
 - iii. an insurance department has issued an order indicating impaired financial condition of the reinsurer which may adversely affect the reinsurer's ability to meet its obligations.
- i. Failure of the Insured to comply with any federal, state or local fire, health, safety, building or construction regulation, law or ordinance which substantially increases any hazard insured against. The Insured has sixty (60) days to correct.
- j. Failure by the Insured to provide reasonable and necessary underwriting information to us upon written request and a reasonable time to respond.
- k. Agency termination, provided:
 - i. It is documented that replacement coverage at comparable rates and terms has been provided to the Insured, and the Insured has been informed, in writing of his or her right to continue coverage; or
 - ii. the Insured has agreed in writing to the cancellation based upon the termination of the agent.

The Insurer will mail notice of cancellation to the Named Insured not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, notice of cancellation will be mailed at least ten (10) days prior to the effective date of such cancellation.

- D. All notices of cancellation will state the reason for cancellation.
- E. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

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Endorsement Expiration Date:

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

III. NON-RENEWAL

- A.** The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured, at the last mailing address known to the Insurer, not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of non-renewal. The notice will be sent by certified mail or by first class mail, if a date stamped proof of mailing has been obtained from the post office.
- B.** Like notice of non-renewal will state the actual reason for non-renewal.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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Endorsement Effective Date:

Endorsement Expiration Date:

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

is amended by the addition of the following new exclusion:

Professional Services

any liability arising out of the actual or alleged rendering of, or failure to render, any professional services by the **Insured** or any other person for whose acts the **Insured** is legally responsible.

- II. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS** is amended by the addition of the exclusion set forth in paragraph I. above, except that the bolded word "**Insured**" is deleted in its entirety and replaced with "insured."

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75518XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 2; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 57 of 68

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**
CHANGES - NOTICE OF CANCELLATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

- I. In the event of cancellation of this coverage during the policy period for a reason other than nonpayment of premium, the Insurer agrees to mail prior written notice of cancellation to:

SCHEDULE

| Name | Address | Number of Days Advanced Notice |
|---|---------|-----------------------------------|
|  | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |

Form No: CNA75525XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 3; Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 59 of 68





CNA Paramount Excess and Umbrella Liability Policy Endorsement

SCHEDULE

| Name | Address | Number of Days Advanced Notice |
|------|---------|-----------------------------------|
|------|---------|-----------------------------------|

30

30

30

30

30

II. If this Endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the bolded term "policy period" is deleted in its entirety and replaced with the term "policy period".

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75525XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 3; Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 60 of 68



**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that the section entitled **EXCLUSIONS** is amended as follows:

- A. The subsection entitled **Coverage B – Umbrella Liability Coverage Exclusions**, the exclusion entitled **Employee Injury** is deleted in its entirety; and
- B. The subsection entitled **Coverage A Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions** is amended by the addition of the following new exclusion:

Employee Injury

any actual or alleged **bodily injury or personal and advertising injury** to:

- a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b. the **spouse**, child, parent, brother or sister of that **employee** as a consequence of a. above.

This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75576XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 4; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 61 of 68

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed as follows:

If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage B – Umbrella Liability Coverage Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**,

it is amended with the addition of the following new exclusion:

Underlying Insurance Coverage Limitation

Notwithstanding anything to the contrary, this policy does not provide broader coverage than that which is provided by any **underlying insurance**.

In the event of any difference between:

- a. exclusions, restrictions, limiting terms or conditions in this policy and
 - b. exclusions, restrictions, limiting terms or conditions in the **underlying insurance**;
- addressing the same general risk or hazard, then the more restrictive provision shall apply.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76492XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 5; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 63 of 68

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT - NEW JERSEY

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability Exclusions** and the section entitled **Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

the exclusion entitled **Pollution** is amended by the addition of the following:

For premises constructed on or after 1978, or premises constructed prior to 1978 which have been certified, prior to the **policy period**, as being free of existing lead hazards pursuant to standards established by the Department of Community Affairs, this exclusion does not apply to **bodily injury** arising out of lead contamination, or out of the inhalation, ingestion, use, handling or contact with lead paint at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**.

This provision will also apply to any premises constructed prior to 1978 which receives such certification during the **policy period**, but only for **bodily injury** which occurs after such certification.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76597NJ (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 6; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 65 of 68



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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

AMENDMENT TO NAMED INSURED

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that:

1. The section entitled WHO IS AN INSURED is amended as follows:
 - a. Paragraph A. is deleted and replaced by the following:
 - A. With respect to Coverage A – Excess Follow Form Liability:
 - (1) Any person or organization that is a Named Insured under the provisions of **underlying insurance** shall be considered a **Named Insured** under Coverage A Excess Follow Form Liability;
 - (2) Any person or organization included as an insured under the provisions of **underlying insurance** is an **Insured** under Coverage A – Excess Follow Form Liability;

but only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.
 - a. Paragraph B. is amended to add the following as **Named Insureds** under Coverage B – Umbrella Liability:

Entities that are named insureds under the provisions of **underlying insurance**, but only while a **Named Insured** has management control over the entity during the **policy period**, subject to the following:

 - (1) the coverage provided by this insurance to such an entity does not apply to:
 - (a) **bodily injury or property damage** that occurred; or
 - (b) **personal and advertising injury** caused by an **incident** first committed;

before a **Named Insured** has management control or after a **Named Insured** ceases to have management control; and
 - (1) no person or organization is a **Named Insured**:
 - (a) with respect to the conduct of any current, past or newly formed partnership, limited liability company or joint venture that is not covered by this endorsement as a **Named Insured**; or
 - (b) if the person or organization is excluded by another endorsement attached to this policy.

For the purpose of this provision, management control means a **Named Insured**:

 - has more than 50% ownership interest in the entity, directly or indirectly; or
 - exercises management or financial control over the entity.
 - a. Paragraph C. is deleted and replaced by the following:
 - C. With respect to Coverage C – Crisis Event Management and Coverage D – Key Employee, any entity that qualifies as a **Named Insured** under Coverage A or Coverage B also qualifies as a **Named Insured** under Coverage C and Coverage D.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 67 of 68





**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

2. The section entitled **DEFINITIONS** is amended to delete the definition of **Named Insured** and replace it with the following:

Named Insured means the persons or organizations named as such in the Declarations, and any other organization qualifying as a **Named Insured** in the Section entitled WHO IS AN INSURED.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2021

Policy Page: 68 of 68

GROUP EXHIBIT F-6



CNA Paramount Excess and Umbrella Liability

Insured Name

SESI CONSULTING ENGINEERS
959 ROUTE 46E
PARSIPPANY, NJ 07054-3409

Producer Information

USI INSURANCE SERVICES, LLC
180 PARK AVE 1ST FL
FLORHAM PARK, NJ 07932-1054

Policy Number

CUE 6056872810

Producer Processing Code

190-070108

Policy Period

12/23/2022 to 12/23/2023

CNA Branch

NEW JERSEY
184 Liberty Corner Road
Suite 402
Warren, NJ 07059

Thank you for choosing CNA!

With your CNA Paramount Excess and Umbrella Liability policy, you have insurance coverage tailored to meet the needs of your business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services

To file a claim contact us at:

Email: HPRports@CNA.com
Fax#: 800-446-8632
Phone Number: 866-909-5343
Mailing Address: Middle Market
CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Crisis Management Expenses

Please read your policy and any applicable endorsements regarding Crisis Management Expenses. You must report any Crisis Management Event to us as soon as reasonably practicable or within 72 hours of the event. The following are dedicated to crisis management reporting:

- Phone: 866-598-2528
- Fax: 866-508-1978
- E Mail: crisismanagement@cna.com
- Mailing Address: CNA, PO Box 8317, Chicago, IL 60680-8317

Please provide the following to report a Crisis Management Event:

- Name of Insured and Policy Number
- Callers name, title and contact telephone number
- A description of the incident



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**CNA Paramount Excess and Umbrella Liability
Table of Contents****TABLE OF CONTENTS****Page Number**

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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice****POLICYHOLDER NOTICE - NEW JERSEY-PLIGA****IMPORTANT INFORMATION****"PLIGA" SURCHARGE
FOR OUR NEW JERSEY
COMMERCIAL LINES POLICYHOLDERS**

Your policy premium includes a New Jersey Property - Liability Insurance Guaranty Association (PLIGA) surcharge. PLIGA protects consumers from insurance company insolvencies. The cost of this guaranty fund is assessed to all insurance companies in New Jersey; and in compliance with Department of Insurance Order No. A18-105, it is passed along to individual consumers via this surcharge.

The surcharge is 0.29% of your premium for all property/liability coverage except for life insurance, accident and health insurance, workers' compensation insurance, title insurance, annuities, surety bonds, credit insurance, mortgage guaranty insurance, municipal bond coverage, fidelity insurance, investment return assurance, ocean marine insurance, and pet health insurance.

For purposes of this surcharge and in compliance with New Jersey Insurance Department Regulation N.J.S.A. 17:30A-8a (3), the declarations page of this policy is the "premium bill."

If you have questions about the New Jersey - Liability Insurance Guaranty Association or this surcharge, please contact your independent CNA agent.

Form No: CNA62848NJ (02-2022)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 5 of 66



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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice****POLICYHOLDER NOTICE - OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM****IMPORTANT INFORMATION****NOTICE - OFFER OF TERRORISM COVERAGE;
DISCLOSURE OF PREMIUM****THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR
CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. Beginning in 2020, the federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Calendar Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Calendar Year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Form No: CNA75532XX (01-2021)

Policyholder Notice Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 7 of 66



**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.

Form No: CNA75532XX (01-2021)

Policyholder Notice Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 8 of 66

**CNA Paramount Excess and Umbrella Liability
Policyholder Notice****POLICYHOLDER NOTICE - OFAC REQUIREMENTS****POLICYHOLDER NOTICE**

CNA Commercial Insurance
CNA Plaza 38S-420
Chicago, IL 60685-0001

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Form No: CNA76614XX (03-2015)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 9 of 66



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**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
POLICY DECLARATIONS
Named Insured and Mailing Address

Named Insured:
SESI CONSULTING ENGINEERS

Mailing Address:
959 ROUTE 46E
PARSIPPANY, NJ 07054-3409

Policy Information

Policy Number: 6056872810
Renewal of: 6056872810
Insurer's Name and Address:
The Continental Insurance Company
151 N Franklin St
Chicago, IL 60606

Producer Information

Producer:
USI INSURANCE SERVICES, LLC
180 PARK AVE 1ST FL
FLORHAM PARK, NJ 07932-1054
Producer Code: 190-070108

Policy Period

12/23/2022 to 12/23/2023 at 12:01 a.m. Standard Time at your mailing address.

Limits of Insurance

| | |
|--|-------------|
| Each Incident Limit | \$5,000,000 |
| Aggregate Limit | \$5,000,000 |
| Aggregate Products-Completed Operations Hazard Limit | \$5,000,000 |
| Policy Aggregate Limit | N/A |
| Crisis Management Expenses Aggregate Limit | \$300,000 |
| Key Employee Replacement Expenses Aggregate Limit | \$100,000 |

Self-Insured Retention

Self-Insured Retention \$10,000

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 1 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 11 of 66


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
Schedule of Underlying Insurance

| Underlying Insurer Policy Number Policy Period Note: | Underlying Insurance | Coverages | Limits of Insurance |
|---|--------------------------------|--|--|
| Continental Casualty Company 6056872807 12/23/2022 to 12/23/2023 | General Liability | Each Occurrence Limit General Aggregate Limit Per Location : yes Per Project : yes Products/ Completed Operations Aggregate Limit Personal and Advertising Injury Liability Limit | \$1,000,000 \$2,000,000 \$2,000,000 \$1,000,000 |
| American Casualty Company of Reading, Pennsylvania 6056872791 12/23/2022 to 12/23/2023 | Auto Liability | Combined Single Limit | \$1,000,000 |
| Continental Casualty Company 6056872807 12/23/2022 to 12/23/2023 | Employee Benefits Liability | Each Employee Limit Aggregate Limit | \$1,000,000 \$1,000,000 |

Forms and Endorsements Attached to this Policy
See SCHEDULE OF FORMS AND ENDORSEMENTS

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 2 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 12 of 66


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
Premium

| | |
|--|-------------------------|
| Minimum Earned Premium | 0% of the Total Premium |
| Total Premium | |
| Premium includes the following amount for Certified Acts of Terrorism Coverage | |
| New Jersey Property & Liability Insurance Guaranty Association Surcharge | |

Notices
Notice to insurer

Address: CNA Claims Reporting
 P.O. Box 8317
 Chicago, IL 60680-8317
 Fax #: 800-446-8632
 Email Address: HPRReports@CNA.com

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 13 of 66



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**CNA Paramount Excess and Umbrella Liability
Policy Schedule****PAYMENT PLAN SCHEDULE****PAYMENT PLAN SCHEDULE**

THE BILLING FOR THIS POLICY WILL BE FORWARDED TO YOU DIRECTLY FROM CNA.

THIS PREMIUM WILL BE INVOICED BY CNA ON A SEPARATE STATEMENT ACCORDING TO THE PAYMENT OPTION YOU SELECT.

The premium amount for this transaction is:

Form No: CNA84401XX (12-2015)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 15 of 66



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CNA Paramount Excess and Umbrella Liability Policy Schedule

SCHEDULE OF FORMS AND ENDORSEMENTS

| Endorsement Number | Form Name | Form Number | Form Edition Date |
|--------------------|---|-------------|-------------------|
| 1 | CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY | CNA62814NJ | 09-2012 |
| 2 | PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT | CNA75518XX | 03-2015 |
| 3 | CHANGES - NOTICE OF CANCELLATION ENDORSEMENT | CNA75525XX | 03-2015 |
| 4 | EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT | CNA75576XX | 03-2015 |
| 5 | UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT | CNA76492XX | 03-2015 |
| 6 | COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT NEW JERSEY | CNA76597NJ | 03-2015 |
| 7 | AMENDMENT TO NAMED INSURED | CNA88301XX | 08-2017 |
| | POLICYHOLDER NOTICE - NEW JERSEY PLIGA | CNA62848NJ | 02-2022 |
| | POLICY DECLARATIONS | CNA75501XX | 03-2015 |
| | PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY | CNA75504XX | 03-2015 |
| | POLICYHOLDER NOTICE OFAC REQUIREMENTS | CNA76614XX | 03-2015 |
| | PAYMENT PLAN SCHEDULE | CNA84401XX | 12-2015 |
| | POLICYHOLDER NOTICE - OFFER OF TERRORISM COVERAGE DISCLOSURE OF PREMIUM | CNA75532XX | 01-2021 |

Form No: CNA62640XX (09-2012)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

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CNA Paramount Excess and Umbrella Liability Policy

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

The "Insurer" refers to the insurer providing this insurance as set forth on the Declarations of this Policy. Words and phrases that appear in **bold** have special meaning. Refer to the section entitled **DEFINITIONS**.

I. COVERAGES

A. Coverage A - Excess Follow Form Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the applicable **underlying limits**. Coverage hereunder will attach only after the full amount of the applicable **underlying limits** have been exhausted through payment in legal currency of covered loss under all applicable **underlying insurance** and to which this Coverage A applies.

Coverage A under this Policy will then apply in conformance with the provisions of the applicable **underlying insurance** except for the premium, limits of insurance, deductible, retentions, or any defense obligations and any other terms and conditions specifically set forth in this Policy.

Upon exhaustion of the applicable **underlying limits**, the Insurer shall only pay for **damages** in excess of the applicable **underlying limits**. This Coverage A does not provide coverage for any loss not covered by the applicable **underlying insurance** except and to the extent that such loss is not paid under the applicable **underlying insurance** solely by reason of the exhaustion of the applicable **underlying limits** through payment of loss thereunder.

This Coverage applies:

1. if the applicable **underlying insurance** is on an occurrence basis, then only if that which must take place in the policy period of the **underlying insurance** in order to trigger coverage, takes place during this **policy period**; and
2. if the applicable **underlying insurance** is on a claims made basis, then only if:
 - a. that which must take place in the **underlying insurance** in order to trigger coverage, takes place after the retroactive date and prior to the end of the **policy period**; and
 - b. the **claim** is first made during the **policy period**.

B. Coverage B - Umbrella Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the **retained amount**:

1. that an **Insured** becomes legally obligated to pay because of **bodily injury, property damage or personal and advertising injury**; or
2. because of liability for **bodily injury or property damage** assumed under an **insured contract**, provided the **bodily injury or property damage** occurs subsequent to the execution of such **insured contract**;

and provided that:

- a. the **bodily injury or property damage** occurs during the **policy period**;
- b. the **bodily injury or property damage** is caused by an **occurrence** that takes place in the **coverage territory**;

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- c. the **personal and advertising injury** is caused by an offense arising out of the **Named Insured's** business; and
- d. the offense giving rise to **personal and advertising injury** was first committed during the **policy period** and in the **coverage territory**;

Provided, however, that **Coverage B - Umbrella Liability**:

- i. does not apply to:
 - (a) any part of **damages** to which **underlying insurance** applies; or
 - (b) any part of **damages** to which **underlying insurance** would have applied regardless of:
 - (1) the availability of **underlying insurance**; or
 - (2) the exhaustion of the applicable **underlying limits**;
 - (c) any **defense costs** related to **damages** as described in a. and b. above.
- ii. applies only if prior to the effective date of the **policy period**, no **authorized insured**:
 - (a) knew that such **bodily injury** or **property damage** had occurred, in whole or in part. If any **authorized insured** knew, prior to the **policy period**, that any such **bodily injury** or **property damage** had occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**; or
 - (b) knew that any offense giving rise to **personal and advertising injury** had occurred, in whole or in part.

Bodily injury or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any **authorized insured**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

An **authorized insured** will be deemed to know:

1. that such **bodily injury** or **property damage** occurred, at the earliest time when such **authorized insured**:
 - a. reports the **bodily injury** or **property damage** to the Insurer or any other insurer;
 - b. receives a **claim** arising out of the **bodily injury** or **property damage**; or
 - c. becomes aware by any other means that the **bodily injury** or **property damage** has occurred or has begun to occur;
2. that such offense giving rise to **personal and advertising injury** occurred, on the date of the first utterance or dissemination or, if there is no utterance or dissemination, then on the first date of the activity giving rise to a **claim**.

C. Coverage C - Crisis Management Expenses

The Insurer will reimburse the **Named Insured** for **crisis management expenses** incurred by the **Named Insured** as a direct result of its response to a **crisis management event** that first occurs during the **policy period**, provided:

- 1 such **crisis management event** is reported to the Insurer as soon as reasonably practicable following the **crisis management event**, or within 72 hours after such **crisis management event** begins if such **crisis management event** is likely to give rise to **bodily injury** or **property damage**;

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2. such **crisis management expenses** are incurred within 180 days after the **crisis management event** and reported to the Insurer as soon as reasonably practicable; and,
3. such **crisis management expenses** are approved in advance by the Insurer.

The period of time for which the Insurer will pay **crisis management expenses** will not be limited by the expiration of the **policy period**.

D. Coverage D – Key Employee

The Insurer will reimburse the **Named Insured** for **key employee replacement expenses** due to the **Named Insured's** permanent loss of the services of a **key employee** provided that:

1. the **Named Insured** would not have incurred such **key employee replacement expenses** if the **Named Insured** had not lost the services of the **key employee**;
2. such **key employee replacement expenses** are incurred by the **Named Insured** within 180 days of the **covered accident** and reported to the Insurer as soon as reasonably practicable;
3. such loss of service is caused by a **covered accident**;
4. the **covered accident** occurs during the **policy period**; and
5. a replacement for such **key employee** is hired within 180 days after the **covered accident**.

The period of time for which the Insurer will pay **key employee replacement expenses** will not be limited by the expiration of the **policy period**.

II. DEFENSE COSTS PAYMENT AND RELATED DUTIES

- A.** The Insurer has the right and duty to defend any **suit**, and the right to assume control of the investigation and settlement of any **claim**, against the **Insured**, as follows:

1. with respect to the **Coverage A - Excess Follow Form Liability**, upon exhaustion through payment in legal currency of the full amount of the applicable **underlying limits** over which **Coverage A** applies.
2. with respect to the **Coverage B - Umbrella Liability**, upon receipt by the Insurer of a **claim** to which Coverage B applies.

When the Insurer has the duty to defend any **suit** and the right to investigate any **claim** but is prevented by law from doing so, the **Insured** will undertake such defense and investigation, and the Insurer will reimburse the **Insured** for the **defense costs**.

The Insurer's obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** does not apply if any other insurer has a duty to defend. Further, any obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** ceases upon exhaustion of the applicable limits of insurance of this Policy.

- B.** The Insurer may, at the Insurer's sole discretion and at the Insurer's own cost, elect to participate in the investigation, settlement or defense of any **claim** against any of the **Insureds** for matters covered by this Policy even if the applicable **underlying limit** has not been exhausted.
- C.** The Insurer will pay **defense costs** as follows:
- 1 with respect to the **Coverage A - Excess Follow Form Liability**, **defense costs** are paid within or excess of the limits of insurance as set forth in the applicable **underlying insurance**.
 2. with respect to the **Coverage B - Umbrella Liability**, **defense costs** are paid in excess of and do not erode the limits of insurance or the **retained amount**.
- D** Where the Insurer investigates a **claim** or defends a **suit**, the Insurer will do so even if the allegations of a **claim** are groundless, false, or fraudulent. If Insurer investigates a **claim** or defends a **suit**, Insurer will

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do so only until the Insurer:

1. makes payment of; or
2. offers to pay; or
3. deposits in court

that part of a judgment up to but not exceeding the Insurer's applicable limits of insurance.

- E. No Insured** shall admit liability, consent to any judgment, agree to any settlement or make any settlement offer which is reasonably likely to involve this Policy without the Insurer's prior written consent, such consent not to be unreasonably withheld. The **Insureds** agree that they shall not knowingly take any action that increases the Insurer's exposure for **damages** or **defense costs** under this Policy.

III. EXCLUSIONS

A. Coverage A - Excess Follow Form Liability and Coverage B - Umbrella Liability Exclusions

With respect to both the **Coverage A- Excess Follow Form Liability** and **Coverage B -Umbrella Liability**, this Insurance does not apply to:

1. Access to or Disclosure of Confidential or Personal Information and Data-Related Liability

any actual or alleged **damages** arising out of:

- a. any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- b. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the **Named Insured** or others arising out of that which is described in paragraph a. or b. above.

However, unless paragraph a. above applies, this exclusion does not apply to **bodily injury** to the extent that such liability is covered by **underlying insurance**.

2. Asbestos

- a. any actual or alleged liability arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or
- b. any actual or alleged loss, cost or expense that may be awarded or incurred:
 - i. by reason of a **claim** for any such injury or damage; or
 - ii. in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of **asbestos**.

3. Damage to Impaired Property or Property not Physically Injured

any actual or alleged **property damage to impaired property** or property that has not been physically injured, arising out of:

- a. a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- b. a delay or failure by the **Named Insured** or anyone acting on the **Named Insured's** behalf to perform a contract or agreement in accordance with its terms.

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This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

4. Damage to Premises Rented or Occupied by the Named Insured

any actual or alleged **property damage** to premises rented to the **Named Insured** or in the case of damage by fire, while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the owner.

5. Distribution or Recording of Material or Information in Violation of Laws

any actual or alleged liability arising directly or indirectly out of any actual or alleged:

- a. violation of:
 - i. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - ii. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - iii. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
 - iv. any statute, ordinance, regulation or law other than the TCPA, CAN-SPAM Act of 2003, or FCRA, including FACTA, and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information; or
- b. conversion or consumption of another's tangible property or electronic assets. For the purpose of this provision, electronic assets include but are not limited to minute allowances, text message allowances, and other electronic consumables.

6. Employment Related Practices

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a. a person arising out of any actual or alleged:
 - i. refusal to employ that person;
 - ii. termination of that person's employment;
 - iii. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. the **spouse**, child, parent, brother or sister of that person as a consequence of such **bodily injury** or **personal and advertising injury** to that person at whom any of the employment-related practices described in paragraphs a. i., ii., or iii. above is directed.

This exclusion applies:

- a. whether the injury-causing event described in paragraphs a. i., ii., or iii. above occurs before employment, during employment or after employment of that person;
- b. whether the **Insured** may be liable as an employer or in any other capacity; and
- c. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, this exclusion does not apply to **bodily injury** a person sustains during a job interview while attempting to demonstrate a physical capability or skill required by the job to the extent that

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such liability is covered by **underlying insurance**.

7. ERISA

any actual or alleged liability arising out of any actual or alleged obligation of any **Insured** under the Employees Retirement Income Security Act of 1974 or any similar common or statutory law anywhere in the world including any amendments or additions thereto.

8. Nuclear Energy Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury**:

- a. with respect to which an **Insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of insurance;
- b. resulting from the **hazardous properties of nuclear material** and with respect to which:
 - i. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - ii. the **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- c. resulting from **hazardous properties of nuclear material**, if:
 - i. the **nuclear material**:
 - (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **Insured** or
 - (b) has been discharged or dispersed therefrom;
 - ii. the **nuclear material** is contained in **spent fuel** or **nuclear waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
 - iii. the **bodily injury, property damage or personal and advertising injury** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion applies only to **property damage** to such **nuclear facility** and any property thereat.
- d. Under any Medical Payments coverage, to expenses with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

Solely as used in this exclusion:

- (a) **property damage** includes all forms of radioactive contamination of property;
- (b) **hazardous properties** includes but is not limited to radioactive, toxic or explosive properties;
- (c) source material, special nuclear material, and by-product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.



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9. Recall of Products, Work or Impaired Property

any actual or alleged loss, cost or expense incurred by the **Named Insured** or any person or entity, for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product, your work or impaired property**, if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

10. Unfair Competition/Antitrust Claims/RICO Claims

any actual or alleged liability arising out of any:

- a. unfair competition, dilution, deceptive trade practices, or civil actions for consumer fraud;
- b. charges of price fixing, monopolization or restraint of trade; or
- c. any violation of:
 - i. the Federal Trade Commission Act;
 - ii. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - iii. the Racketeer Influenced and Corrupt Organizations Act;
 - iv. any rules or regulations promulgated under or in connection with the above statutes; or
 - v. any state, federal or local statute or other law which similarly regulates business practices.

11. Uninsured/Underinsured Motorists

any actual or alleged liability arising out of any obligations under an uninsured/underinsured motorist law, a personal injury protection law, a reparations benefit law or other similar law.

12. War

any actual or alleged liability arising, directly or indirectly out of any:

- a. war, including undeclared or civil war;
- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Workers' Compensation and Similar Laws /Nonsubscriber Status

any actual or alleged liability arising out of any obligation of any **Insured**:

- a. under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- b. by reason of a statement of non-subscription on file with any applicable Worker's Compensation authority of any State indicating the **Named Insured** has chosen not to participate in the Workers Compensation system in accordance with laws of such state.

B. Coverage A - Excess Follow Form Liability Exclusions

With respect to **Coverage A - Excess Follow Form Liability**, this Insurance does not apply to:

1. Coverages Subject to a Sub Limit

any actual or alleged liability, loss, cost or expense covered under any **underlying insurance** which is



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subject to a **sub limit**.

2. Crisis Management Expenses

crisis management expenses except as provided for in **Coverage C** above even if such insurance is afforded under **underlying insurance** or would have been afforded but for the exhaustion of the **underlying limits**.

3. Pollution

- a. any actual or alleged **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - i. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured** except that this subparagraph does not apply to:
 - (a) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**; or
 - (b) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - ii. at or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom the **Named Insured** may be legally responsible; or
 - iv. at or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:
 - (a) If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor; except that this subparagraph does not apply to **bodily injury** or **property damage** arising out of:
 - (1) the escape of fuels, lubricants, or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury** or **property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **Insured**, contractor or subcontractor; or
 - (2) heat, smoke or fumes from a **hostile fire**; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**;
 - v. that are, or that are contained in property that is:
 - (a) being transported or towed by, or handled for movement into, onto or from a covered **auto**;
 - (b) otherwise in the course of transit; or

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(c) being stored, disposed of, treated or processed in or upon the covered **auto** except that this subparagraph does not apply to fuels, lubricants, fluids, exhaust, gases or other similar **Pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts if the **pollutants** escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**;

vi. before the **pollutants** or property in which the **pollutants** are contained are moved from the place where they are accepted by the **Insured** for movement into or onto the covered **auto**;

or

vii. after the **pollutants** or property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **Insured**.

Subparagraphs vi. and vii. do not apply if the **pollutants** or property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto** and the discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

- b. any actual or alleged **personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- c. any actual or alleged loss, cost or expense arising out of any:
 - i. request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

However, if liability for **damages** because of **property damage** is not excluded by paragraph a. of this exclusion, then neither will paragraph c. above serve to exclude such **damages**.

C. Coverage B - Umbrella Liability Exclusions

With respect to the **Coverage B - Umbrella Liability**, this Insurance does not apply to:

1. Aircraft, Auto, Watercraft or Mobile Equipment

any actual or alleged **bodily injury, property damage, personal and advertising injury** arising out of the ownership, maintenance, operation, use, **loading or unloading** or entrustment to others of any:

- a. **aircraft** owned by any **Insured** or rented, loaned or chartered by or on behalf of any **Insured** without crew; or
- b. **autos, watercraft or mobile equipment**

This exclusion applies even if such **claim** against an **Insured** alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**.

This exclusion does not apply to:

- i. watercraft while ashore on premises the **Named Insured** owns or rents;
- ii. watercraft the **Named Insured** does not own that is:
 - (a) less than 55 feet long; and
 - (b) not being used to carry persons or property for a charge; or

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- iii. liability assumed under any **insured contract** for the ownership, maintenance or use of watercraft.

2. Contractual Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury** for which an **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement other than an **insured contract**. This exclusion does not apply to liability that the **Insured** would have in the absence of such contract or agreement.

3. Damage to Property

any actual or alleged **property damage** to:

- a. property the **Named Insured** owns, rents, or occupies, including any costs or expenses incurred by the **Named Insured**, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. premises the **Named Insured** sells, gives away or abandons, if the **property damage** arises out of any part of those premises;
- c. property loaned to the **Named Insured**;
- d. personal property in the care, custody or control of the **Insured**;
- e. that particular part of real property on which the **Named Insured** or any contractors or subcontractors working directly or indirectly on its behalf are performing operations, if the **property damage** arises out of those operations; or
- f. that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph **b.** of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by the **Named Insured**.

Paragraphs **c., d., e. and f.** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **f.** of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

4. Damage to Your product

any actual or alleged **property damage** to **your product** arising out of it or any part of it.

5. Damage to Your work

any actual or alleged **property damage** to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**. This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the **Named Insured's** behalf by a subcontractor.

6. Employee Injury

any actual or alleged **bodily injury or personal and advertising injury** to:

- a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b. the **spouse, child, parent, brother or sister** of that **employee** as a consequence of **a.** above.

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This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **Insured** under an **insured contract**.

7. Expected or Intended injury

any actual or alleged **bodily injury** or **property damage** arising out of an act or omission:

- a. intended by an **Insured**; or
- b. that would be expected from the standpoint of a reasonable person in the circumstances of the **Insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. Fungi or Other Organic Pathogens

- a. any actual or alleged **bodily injury**, **property damage** or **personal and advertising injury** arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens**;
- b. any actual or alleged loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of **fungi or other organic pathogens** by any **Insured** or by anyone else; or
- c. any actual or alleged **property damage** caused by water where there also exists any **property damage** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense.

9. Liquor Liability

any actual or alleged **bodily injury** or **property damage** for which any **Insured** may be held liable by reason of:

- a. causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on the **Insured's** premises, for consumption on the **Insured's** premises;
- b. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the **claims** against any **Insured** allege negligence or other wrongdoing in:

- i. the supervision, hiring, employment, training or monitoring of others by that **Insured**; or

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- ii. providing or failing to provide transportation with respect to any person that may be under the influence of alcohol,

if the **occurrence** which caused the **bodily injury** or **property damage** involved that which is described in paragraph a., b. or c. above.

10. Nonemployment Related Discrimination

any actual or alleged personal and advertising injury arising out of any actual or alleged nonemployment related discrimination committed intentionally against a person.

11. Personal and Advertising Injury

any actual or alleged **personal and advertising injury**:

a. Breach of Contract

arising out of breach of contract, except an implied contract to use another's advertising idea in the **Named Insured's advertisement**.

b. Criminal Acts or Conduct

arising out of any actual or alleged criminal act or omission committed by or at the direction of any **Insured**. This exclusion does not apply to the extent liability is imposed upon the **Insured** for acts or omissions of another committed without the knowledge or consent of the **Insured**.

c. Electronic Chat Rooms or Bulletin Boards

arising out of an electronic chat room or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

d. Infringement of Copyright, Patent, Trademark or Trade Secret

arising out of infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in the **Named Insured's advertisement**. However, this exclusion does not apply to infringement of copyright, trade dress or slogan in the **Named Insured's advertisement**.

e. Insureds in Media and Internet Type Businesses

committed by an **Insured** whose business is:

- i. advertising, broadcasting, publishing or telecasting;
- ii. designing or determining content or web-sites for others; or
- iii. an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraph A., B. or C. of **personal and advertising injury** as defined in the section entitled Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for the **Named Insured** or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

f. Knowing Violation of Rights of Another

caused by an actual or alleged offense, act or omission by or at the direction of the **Insured** if the **Insured** knew or should have known that such offense, act or omission would cause such **personal and advertising injury**.

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arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

h. Material Published with Knowledge of Falsity

arising out of written publication in any manner of material, if the **Insured** knew or should have known the material was false.

i. Quality or Performance of Goods – Failure to Conform to Statements

arising out of any failure of goods, products or services to conform to any statement of quality or performance made in the **Named Insured's advertisement**.

j. Unauthorized Use of Another's Name or Product

arising out of unauthorized use of another's name or product in the **Named Insured's** e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

k. Wrong Description of Prices

arising out of the wrong description of the price of goods, products or services stated in the **Named Insured's advertisement**.

12. Pollution

- a.** any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- b.** any actual or alleged loss, cost or expense arising out of any:
 - i.** request, demand, order, or statutory or regulatory requirement that anyone test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**; or
 - ii.** **claim** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants**.

13. Silica

- a.** any actual or alleged **bodily injury** arising, in whole or in part, out of the actual, alleged or threatened respiration or ingestion at any time of **silica**; or
- b.** any actual or alleged **property damage** arising in whole or in part out of the actual, alleged or threatened presence of **silica**.
- c.** any actual or alleged **personal and advertising injury** arising, in whole or in part, out of the actual, alleged or threatened:
 - i.** exposure at any time to; or
 - ii.** presence at any time of;**silica**.

14. Terrorism

any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of any act of terrorism.

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D. Coverage D - Key Employee Exclusions

With respect to **Coverage D – Key Employee**, this insurance does not apply to any actual or alleged:

1. Death or Disability

death or permanent disability of a **key employee** relating to, or arising out of:

- a. nuclear reaction or radiation or radioactive contamination, however caused;
- b. sickness or disease, including mental illness or mental injury;
- c. pregnancy, childbirth, miscarriage or abortion;
- d. suicide, attempted suicide or self inflicted bodily injury, while sane or insane;
- e. the **key employee's** intoxication, impairment or otherwise being under the influence of alcohol or controlled substances;
- f. war, including undeclared or civil war;
- g. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- h. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Other Expenses

- a. expenses the **Named Insured** incurs which the **Named Insured** would not have incurred if the **Named Insured** had used all reasonable means to:
 - i. find a permanent replacement for the **key employee**; and
 - ii. reduce or discontinue the **key employee** replacement expense;
 as soon as possible after the **Named Insured's** permanent loss of the services of the **key employee** caused by a **covered accident**.
- b. additional expenses incurred due to the **Named Insured's** loss of the services of a permanent replacement appointed or hired to replace a **key employee**, however caused. However, this exclusion does not apply if the replacement employee is included in the definition as a **key employee** and the **Named Insured's** loss of the services of the replacement employee is caused by a **covered accident**.

IV. WHO IS AN INSURED

The following persons or organizations are **Insureds**.

A. With respect to **Coverage A - Excess Follow Form Liability**, the **Named Insured** and any persons or organizations included as an insured under the provisions of **underlying insurance** are **Insureds**, and then only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

B. With respect to the **Coverage B - Umbrella Liability**:

1. If the **Named Insured** is designated in the Declarations of this Policy as:
 - a. an individual, the **Named Insured** and the **Named Insured's spouse** are **Insureds**, but only with respect to the conduct of a business of which the **Named Insured** is the sole owner.
 - b. a partnership or joint venture, the **Named Insured** is an **Insured**. The **Named Insured's** members, the **Named Insured's** partners, and their **spouses** are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business.

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- c. a limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** members are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business. The **Named Insured's** managers are **Insureds**, but only with respect to their duties as the **Named Insured's** managers.
- d. an organization other than a partnership, joint venture or limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** executive officers and directors are **Insureds**, but only with respect to their duties as the **Named Insured's** officers or directors. The **Named Insured's** stockholders are also **Insureds**, but only with respect to their liability as stockholders.
- e. a trust, the **Named Insured** is an **Insured**. The **Named Insured's** trustees are also **Insureds**, but only with respect to their duties as trustees.
2. Each of the following are also **Insureds**:
- a. The **Named Insured's** volunteer workers but only while performing duties related to the conduct of the **Named Insured's** business.
- b. The **Named Insured's** employees, other than either the **Named Insured's** executive officers (if the **Named Insured** is an organization other than a partnership, joint venture or limited liability company) or the **Named Insured's** managers (if the **Named Insured** is a limited liability company), but only for acts within the scope of their employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business.

However, none of these employees or volunteer workers are **Insureds** for:

- i. **bodily injury or personal and advertising injury:**
- (a) to the **Named Insured**, to the **Named Insured's** partners or members (if the **Named Insured** is a partnership or joint venture), to the **Named Insured's** members (if the **Named Insured** is a limited liability company), to a co-employee while in the course of his or her employment or performing duties related to the conduct of the **Named Insured's** business, or to the **Named Insured's** other volunteer workers while performing duties related to the conduct of the **Named Insured's** business;
- (b) to the spouse, child, parent, brother or sister of that co-employee or volunteer worker as a consequence of paragraph (i)(a) above;
- (c) for which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraph i. (a) or (b) above; or
- (d) arising out of his or her providing or failing to provide professional health care services.
- ii. **property damage to property:**
- (a) owned, occupied or used by;
- (b) rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- the **Named Insured**, any of the **Named Insured's** employees, volunteer workers, any partner or member (if the **Named Insured** is a partnership or joint venture), or any member (if the **Named Insured** is a limited liability company).

- C. With respect to the **Coverage C - Crisis Event Management** and the **Coverage D - Key Employee**, the **Named Insured** is the **Insured**.

V. LIMITS OF INSURANCE**A. Multiple Insureds, claims, claimants**

The limits of insurance shown in the Declarations of this Policy and the rules below fix the most the

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Insurer will pay regardless of the number of:

1. **Insureds**;
2. **claims** made or brought against the **Insured**;
3. persons or organizations making **claims** or bringing **claims**; and
4. coverages under this Policy.

B. Aggregate Limit

Subject to the paragraphs **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate limit is the most that the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for:

1. **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated; and
2. **damages** covered under the **products-completed operations hazard**.

The limits of insurance shown in the Declarations of this Policy apply to the entire **policy period**, regardless of length.

In addition, with respect to **Coverage A – Excess Follow Form Liability** only, the Aggregate limit shown in the Declarations of this Policy shall be applied in the same manner as the applicable Aggregate limits in the Schedule of **underlying insurance**.

C. Aggregate Products-Completed Operations Hazard

Subject to paragraph **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate Products-Completed Operations Hazard limit is the most that the Insurer will pay as **damages** arising out of the **products-completed operations hazard**, regardless of whether such **damages** are or otherwise would be covered in any way under more than one coverage.

D. Policy Aggregate Limit

This provision **D.** only applies if an amount is shown in the Declarations as the Policy Aggregate Limit.

Subject to the Each **Incident** limit, Aggregate limit and Aggregate **products-completed operations hazard** limit, the Policy Aggregate limit is the most the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated.

E. Each Incident

Subject to paragraphs **B.**, **C.** and **D.** above, the limit of insurance shown in the Declarations of this Policy as the Each **Incident** limit is the most the Insurer will pay for the sum of all **damages** arising out of any one **incident** under this Policy, regardless of which coverage applies.

F. Crisis Management

Solely with respect to **Coverage C – Crisis Management Expenses**, the most the Insurer will pay is the limit of insurance shown on the Declarations of this Policy as the **Crisis Management Expenses** Aggregate limit, regardless of the number **crisis management events** for which **crisis management expenses** are incurred. **Crisis management expenses** are not subject to the **retained amount**.

The **Crisis Management Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Crisis Management Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

G. Key Employee Replacement Expenses

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Solely with respect to **Coverage D – Key Employee**, the most the Insurer will pay for **key employee replacement expenses** is the **Key Employee Aggregate limit** shown on the Declarations of this Policy, regardless of the number **key employees** for which **key employee replacement expenses** are incurred. **Key employee replacement expenses** are not subject to the **retained amount**.

The **Key Employee Replacement Expenses Aggregate limit** of insurance is in addition to and will not erode any other limits of this Policy. The **Key Employee Replacement Expenses Aggregate limit** of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

H. Defense Costs

Defense costs are either paid within or are in excess of the limits of insurance as set forth in paragraph **C.** of the section entitled **Defense Costs Payment and Related Duties**.

I. Exhaustion or Reduction of Applicable Underlying Limit

Solely with respect to **Coverage A - Excess Follow Form Liability**, if the applicable **underlying limits** are:

1. reduced solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) **Coverage A** will apply in excess of the remaining amount of such applicable **underlying limit**; or
2. exhausted, solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) then **Coverage A** will apply, subject to this Policy's limit of insurance provision and to the remaining terms and provisions and conditions of this Policy in place of such exhausted applicable **underlying limit**.

If any loss covered under any **underlying insurance** is subject to a **sub-limit** (whether or not such **sub-limit** erodes the limits generally available to all claims), then the **underlying limits** shall not be deemed depleted by payment of any such **sub-limits**.

Nothing herein shall serve to increase the limits of insurance shown in the Declarations of this Policy.

VI. CONDITIONS**A. Appeals**

If the **Named Insured** or its **underlying insurers** elect not to appeal a judgment in excess of the limits of insurance afforded by the **underlying insurance** the Insurer may elect to appeal at the Insurer's expense. The Insurer's limits of insurance shall not be increased because of such appeal. However, the Insurer will pay the following costs and expenses:

1. all premium bonds to release attachments for an amount not in excess of the applicable limit of insurance of this policy;
2. all premiums on appeal bonds required in such defended **claims**, but without obligation to apply for or furnish such bonds;
3. court fees; and
4. costs and expenses taxed against the **Named Insured** by the appellate court and interest accruing after entry of a judgment against the **Named Insured** and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance of this Policy. Where the **underlying insurers** terminate their liability to pay interest on the judgment by an offer to pay their limits, the **Named Insured** shall demand that such limits be paid. If the appeal is successful, such amounts not obligated to be paid shall be returned to such **underlying insurer**.

B. Cancellation and Nonrenewal

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The Cancellation/Nonrenewal provisions are as set forth in the Cancellation/Nonrenewal Endorsement attached to this Policy.

C. Changes to the Policy

Notice to any of the Insurer's agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy, nor will such notice prevent the Insurer from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued by the Insurer to form a part of this Policy.

D. Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by the Insurer would have led to refusal by the Insurer to make this contract or provide coverage, or to make this contract or provide coverage on different terms or conditions, will be deemed material.

E. Duties of the First Named Insured on the Declarations of this Policy

The **First Named Insured**, on behalf of all others, will be:

1. authorized to make changes in the terms of this Policy with the consent of the Insurer;
2. the payee of any premiums the Insurer refunds;
3. responsible for:
 - a. remitting the payment of all premiums due, but all **Named Insureds** jointly and severally agree to make such payments in full if the **First Named Insured** fails to pay the amount due within 10 days after the Insurer give written notice or demand;
 - b. keeping records of the information the Insurer requires for premium computation, and sending copies of such records at such times as requested by the Insurer;
 - c. notifying the Insurer that the **First Named Insured** on behalf of all others wants to cancel this Policy; and
 - d. providing any notice required under this Policy.

F. Economic and Trade Sanctions

This Policy does not provide coverage for an **Insured**, transaction or that part of loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

G. Entire Contract

By acceptance of this Policy, the **Insureds** agree that this Policy, including all endorsements to this Policy, constitute the entire contract existing between the parties relating to this insurance.

H. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or spouse outside the scope of such person's capacity or status as such provided however that this sentence does not apply to the spouse of:

1. a sole proprietorship **Named Insured**; or

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2. members or partners of joint venture or partnership **Named Insureds**.

Examination of the Named Insured's Books and Records

The Insurer may examine and audit the **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

J. Financial Impairment

Bankruptcy, rehabilitation, receivership, liquidation or other financial impairment of the **Named Insured** or an **underlying insurer** shall neither relieve nor increase any of the Insurer's obligations under this Policy.

In the event there is diminished recovery or no recovery available to the **Named Insured** as a result of financial impairment of an **underlying insurer**, the coverage under this Policy shall apply only in excess of the **underlying limits**. Under no circumstances shall the Insurer be required to drop down and replace the **underlying limits**, or assume the obligations of the **Named Insured** or the financially impaired insurer.

K. Headings

The description in the headings and subheadings of this Policy is solely for convenience, and forms no part of the terms and conditions of coverage.

L. Inspections and Surveys

The Insurer has the right but is not obligated to:

1. make inspections and surveys at any time;
2. give the **Named Insured** reports on the conditions it finds;
3. recommend changes; or
4. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

1. make safety inspections;
2. undertake to perform the duty of any organization to provide for the health or safety of workers or the public; nor
3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

This provision applies not only to the Insurer, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, recommendations, reports, or gives loss control or prevention advice, on its behalf.

M. Legal Action Limitation

No person or organization has a right under this Policy:

1. to join the Insurer as a party or otherwise bring the Insurer into a **suit** asking for **damages** from an **Insured**; or
2. to sue Insurer on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an **Insured**; but the Insurer will not be liable for **damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An "agreed settlement" means a settlement and release of liability signed by the Insurer, the **Insured** and the claimant or the claimant's legal representative.

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N. Maintenance of Underlying Insurance

Solely with respect to **Coverage A - Excess Follow Form Liability**, while this Policy is in force the **First Named Insured** agrees that the **underlying insurance** and renewals and replacements thereof shall be maintained, without alterations of terms or conditions, in full effect during the term of this Policy; except for reduction or exhaustion of the limits of insurance in the **underlying insurance**, provided that such reduction or exhaustion is solely the result of **incidents** covered under this Policy.

If the **First Named Insured** fails to maintain **underlying insurance**, this condition shall not invalidate this Policy. However, in the event of such failure, the Insurer will only be liable to the same extent as if such **underlying insurance** was in full force and effect without alteration of its terms and conditions.

O. Notice of Claims/Crisis Management Event/Covered Accident

1. Solely with respect to **Coverage A - Excess Follow Form Liability**, if any **underlying insurance** is a policy issued by the Insurer or any of its affiliates, then notice of any **claim** under such **underlying insurance** is notice to the Insurer under this Policy.
2. It is a condition precedent to coverage under this Policy that:
 - a. subject to paragraph b. below, the **Insured** notify the Insurer as soon as practicable of an **incident** which an **Insured** believes may result in a **claim**. To the extent possible, notice should include:
 - i. how, when and where the **incident** took place;
 - ii. the names and addresses of any injured persons and witnesses; and
 - iii. the nature and location of any injury or damage arising out of the **incident**.
 - b. the **Insured** notify the Insurer as soon as practicable of an **incident** if it involves:
 - i. a demand against the **Insured** which exceeds 50% of any remaining applicable **underlying limit**;
 - ii. any **underlying insurance** reserve or monetary exposure exceeding \$500,000; or
 - iii. any of the following:
 - (a) brain damage, including but not limited to any neurological impairment of infants or adults and coma;
 - (b) spinal cord injury, including but not limited to paraplegia or quadriplegia;
 - (c) loss of any organ;
 - (d) severe disfigurement, including but not limited to burns and amputations; or
 - (e) death.
 - c. if a **claim** is made against any **Insured**, the **Named Insured**:
 - i. will immediately record the specifics of the **claim** and the date received and notify the Insurer of such **claim**;
 - ii. will immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
 - iii. will authorize the Insurer to obtain records and other information;
 - iv. will cooperate with the Insurer in the investigation or settlement of the **claim** or defense against the **suit**;

will assist the Insurer, upon its request, in the enforcement of any right against any person



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or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply; and

- vi. will not voluntarily make a payment, except at its own cost, assume any obligation, or incur any expense, other than for first aid, without the Insurer's prior consent.

3. Cooperation

With respect to both **Coverage A - Excess Follow Form Liability** and **Coverage B - Umbrella Liability**, the **Named Insured** will cooperate with the Insurer in addressing all **claims** required to be reported to the Insurer in accordance with this paragraph **O. Notice of Claims/Crisis Management Event/Covered Accident**, and refuse, except solely at its own cost, to voluntarily, without the Insurer's approval, make any payment, admit liability, assume any obligation or incur any expense related thereto.

P. Notices

Any notices required to be given by an **Insured** shall be submitted in writing to the Insurer at the address set forth in the Declarations of this Policy.

Q. Other Insurance

If the **Insured** is entitled to be indemnified or otherwise insured in whole or in part for any **damages** or **defense costs** by any valid and collectible **other insurance** for which the **Insured** otherwise would have been indemnified or otherwise insured in whole or in part by this Policy, the limits of insurance specified in the Declarations of this Policy shall apply in excess of, and shall not contribute to a **claim, incident** or such event covered by such **other insurance**.

With respect to **Coverage A - Excess Follow Form Liability** only, if:

- a. the **Named Insured** has agreed in writing in a contract or agreement with a person or entity that this insurance would be primary and would not seek contribution from any other insurance available;
- b. **Underlying Insurance** includes that person or entity as an additional insured; and
- c. **Underlying Insurance** provides coverage on a primary and noncontributory basis as respects that person or entity;

then this insurance is primary to and will not seek contribution from any insurance policy where that person or entity is a named insured.

R. Premium

All premium charges under this Policy will be computed according to the Insurer's rules and rating plans that apply at the inception of the current **policy period**. Premium charges may be paid to the Insurer or its authorized representative.

S. In Rem Actions

A quasi *in rem* action against any vessel owned or operated by or for a **Named Insured**, or chartered by or for a **Named Insured**, will be treated in the same manner as though the action were *in personam* against the **Named Insured**.

T. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Policy to the **First Named Insured**, this insurance applies:

- 1. as if each **Named Insured** were the only **Named Insured**; and
- 2. separately to each **Insured** against whom a **claim** is made.

U. Transfer of Interest

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Assignment of interest under this policy shall not bind the Insurer unless its consent is endorsed hereon.

V. Unintentional Omission

Based on Insurer's reliance on the **Named Insured's** representations as to existing hazards, if the **Named Insured** should unintentionally fail to disclose all such hazards at the effective date of this Policy, the Insurer will not deny coverage under this Policy because of such failure.

W. Waiver of Rights of Recovery

The Insurer waives any right of recovery it may have against any person or organization because of payments the Insurer makes under this Policy if the **Named Insured** has agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. is in effect or becomes effective during the policy period; and
2. was executed prior to loss.

VII. DEFINITIONS

For purposes of this Policy, words in bold face type, whether expressed in the singular or the plural, have the meaning set forth below.

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the **Named Insured's** goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- A. notices that are published include material placed on the Internet or on similar electronic means of communication; and
- B. regarding web-sites, only that part of a web-site that is about the **Named Insured's** goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.

Aircraft means any machine or device that is capable of atmospheric flight.

Arbitration proceeding means a formal alternative dispute resolution proceeding or administrative hearing to which an **Insured** is required to submit by statute or court rule or to which an **Insured** has submitted with the Insurer's consent.

Asbestos means the mineral in any form whether or not the asbestos was at any time airborne as a fiber, particle or dust, contained in or formed a part of a product, structure or other real or personal property, carried on clothing, inhaled or ingested, or transmitted by any other means.

Authorized Insured means any **executive officer**, member of the **Named Insured's** risk management or in-house general counsel's office, or any **employee** authorized by the **Named Insured** to give or receive notice of a **claim**.

Auto means:

- A. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- B. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, **auto** does not include **mobile equipment**.

Bodily injury means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the bodily injury, sickness or disease.

Claim means a:

- A. suit; or

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B. written or oral demand for **damages** alleging injury to which this insurance applies.

Coverage territory means:

- A. the United States of America (including its territories and possessions), Puerto Rico and Canada;
- B. international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph A. above; or
- C. all other parts of the world if the injury or damage arises out of:
 - 1. goods or products made or sold by the **Named Insured** in the territory described in paragraph A. above;
 - 2. the activities of a natural person whose home is in the territory described in paragraph A. above, but is away for a short time on the **Named Insured's** business; or
 - 3. an offense that take place through the Internet or similar electronic means of communication, provided that the **Insured's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in paragraph A. above or in a settlement the Insurer agrees to.

Covered accident means a sudden and unexpected event, which solely and independently of any other cause results in the **key employee's** death or **permanent disability** within one year after the date of the sudden event.

Crisis management event means an event that an **executive officer** reasonably believes has resulted or may result in significant adverse regional or national media coverage and a claim for:

- A. **bodily injury, property damage** or any of the following **personal and advertising injury** offenses:
 - 1. false arrest, detention or imprisonment;
 - 2. malicious prosecution or abuse of process; or
 - 3. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor; and
- B. **damages** to which this insurance applies, that are in excess of any applicable:
 - 1. **underlying limits**; or
 - 2. **retained amount**.

Crisis management expenses means **crisis management public relations expenses** and **crisis management other expenses** provided however **crisis management expenses** do not include any of the following:

- A. salary, wages, or benefits of the **Named Insured** or the **Named Insured's** employees;
- B. loss of business income;
- C. costs to acquire, repair or replace real or personal property; or
- D. expense to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by a **Named Insured**.

Crisis management public relations expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to hire a **crisis management firm**;
 - B. to set up call centers or similar inquiry management system to manage inquiries from, or to directly contact, individuals or entities that may be directly impacted by such **crisis management event**;
- to create and deliver notification letters to contact individuals or entities that may be directly impacted

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by the **crisis management event**; or

D. other related miscellaneous expenses.

Crisis management other expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to pay medical expenses, funeral expenses, psychological counseling expenses, travel expenses, and temporary living expenses of a third party who incurs **bodily injury**, or a family member of such third party, by reason of such **crisis management event**;
- B. for travel expenses incurred by or on behalf of **Insureds** and at the direction of the **crisis management firm**;
- C. to secure the scene of a **crisis management event**; and
- D. other related miscellaneous expenses.

Crisis management firm means a public relations firm, law firm or crisis management firm approved by the Insurer to provide media management services and to respond to actual or anticipated adverse publicity arising out of a **crisis management event** or **covered accident**.

Damages means the amount an **Insured** is legally obligated to pay, either through:

- A. final adjudication of a **claim**; or
- B. through compromise or settlement of a **claim** with the Insurer's written consent or direction, because of covered **incidents**. In addition, **damages** includes the above-mentioned sums only after deducting all other recoveries and salvages.

However, **damages** does not include:

- 1. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
- 2. injunctive or declaratory relief;
- 3. any amount that is not insurable under any applicable law; or
- 4. plaintiff's attorney fees associated with any of the above.

Notwithstanding paragraph 3. above, **damages** shall include (subject always to this Policy's other terms, conditions and limitations) punitive and exemplary damages the enforceability of which shall be governed by such applicable law that most favors coverage for **damages**.

Defense costs mean:

- A. reasonable and necessary fees, costs, and expenses incurred by the Insurer or consented to by the Insurer and incurred by the **Named Insured** in the defense or appeal of a covered **suit** or in the investigation of any covered **claim**, and includes premium for appeal bonds arising out of a covered judgment, attachment bonds or similar bonds, but only for bond amounts up to the applicable limit of insurance. In addition, the Insurer will pay up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which **bodily injury** coverage applies. The Insurer has no obligation to provide such bonds.
- B. prejudgment interest awarded against an **Insured** on that part of a judgment covered by this policy. If the Insurer makes an offer to pay the applicable limit of insurance, the Insurer will not pay any prejudgment interest based on that period of time after the offer.
post judgment interest which accrues after entry of judgment, but before the Insurer has paid or offered to pay, or deposited in court that part of the judgment which is within the limit of insurance of this
- C. Policy. The amount of interest the Insurer pays will be in direct proportion to the amount of **damages**



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the Insurer pays in relation to the total amount of the judgment.

- D. all reasonable expenses incurred by a natural person **Insured** at the Insurer's request to assist the Insurer in the investigation or defense of the **claim**. This includes such **Insured's** actual loss of earnings up to \$750 per day, because of time off from work.
- E. all court costs taxed against the **Insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.

Electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Employee includes **leased workers** or employees loaned to the **Insured**. **Temporary workers** are not **employees**.

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

- A. director, officer, trustee or governor of a corporation;
- B. management committee member of a joint venture;
- C. partner of a partnership;
- D. manager of a limited liability company; and
- E. trustee of a trust.

An **executive officer** is not an **employee**.

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations of this Policy.

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. However, **fungi** does not include any fungi intended by the **Insured** for human consumption.

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Impaired property means tangible property, other than **your product** or **your work** that cannot be used or is less useful because:

- A. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or

- B. the **Named Insured** has failed to fulfill the terms of a contract or agreement,

if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work**; or the **Named Insured's** fulfilling the terms of the contract or agreement.

Incident means:

- A. with respect to **Coverage A - Excess Follow Form Liability**, a covered event as defined in applicable **underlying insurance**;
- B. solely with respect to **Coverage B - Umbrella Liability**:
 - 1. with respect to **bodily injury** and **property damage**, **incident** means an **occurrence**; or
 - 2. with respect to **personal and advertising injury**, **incident** means an offense that gives rise to such **personal and advertising injury**.

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Insured means any person or organization set forth in the section entitled **WHO IS AN INSURED**.

Insured contract means:

- A. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner is not an **insured contract**;
- B. a sidetrack agreement;
- C. an easement or license agreement; except in connection with construction or demolition operations on or within 50 feet of a railroad;
- D. an obligation, as required by ordinance, to indemnify a municipality except in connection with work for a municipality;
- E. an elevator maintenance agreement; or
- F. the part of any other contract or agreement pertaining to its business (including an indemnification of a municipality in connection with work performed for a municipality) under which the **Named Insured** assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization, provided the **bodily injury** or **property damage** is caused, in whole or in part, by the **Named Insured** or by those acting on its behalf. However, such part of a contract or agreement shall only be considered an **insured contract** to the extent the **Named Insured's** assumption of the tort liability is permitted by law. "Tort liability" means liability that would be imposed by law in the absence of contracts or agreements. This paragraph F. does not include that part of a contract or agreement:
 - 1. that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - 2. that indemnifies an architect, engineer or surveyor for **bodily injury** or **property damage** arising out of:
 - a preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b giving directions or instructions, or failing to give them, if that is the primary cause of the **bodily injury** or **property damage**;
 - 3 under which an **Insured**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of such **Insured's** rendering or failure to render professional services, including those listed in paragraph 2. above and supervisory, inspection, architectural or engineering activities; or
 - 4. that indemnifies a person or organization for damage by fire to premises rented to or loaned to an **Insured**.

Key employee means any of the following officer and employment positions:

- A. Chief Executive Officer;
- B. Chief Operating Officer;
- C. Chief Financial Officer;
- D. Corporate Secretary;
- E. Treasurer;
- F. Executive Vice President; and

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Key employee also means anyone added as such by endorsement to the Policy.

Key employee replacement expenses means the actual and necessary expenses incurred by the **Named Insured**:

- A.** to continue the performance of the **key employee's** normal job responsibilities, with comparable quality, while a permanent replacement for the **key employee** is being sought, appointed or hired, and trained.
- B.** to find a qualified permanent replacement to fill the **key employee's** position:
 1. costs of advertising the employment position opening;
 2. travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 3. miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the job applicants and legal expenses incurred to draw up employment contracts.
- C.** to minimize the amount of **key employee replacement expenses**, but only to the extent the amount of **key employee replacement expenses** otherwise payable under paragraphs 1. and 2. above are reduced.
- D.** to relocate the replacement employee to an area within a reasonable commute from their place of employment.
- E.** to pay the following reasonable and necessary expenses incurred in connection with the death or permanent disability of any **key employee**:
 1. to hire a **crisis management firm**.
 2. to create and deliver notification letters to contact individuals or entities that may be directly impacted by the **key employee covered accident**; or
 3. other related miscellaneous expenses
- F. Key employee replacement expenses** also include first year amounts of the replacement employee's:
 1. annual base starting salary;
 2. employee perquisite costs; and
 3. employee benefit costs;

in excess of the amounts which would have been incurred for the **key employee** if the **Named Insured** had not lost the services of the **key employee**. However, the Insurer will not pay more for these expenses than 10% of the amounts which would have been incurred for the **key employee**.

Key employee replacement expenses do not include the following:

- a.** any expenses which would have been incurred by the **Named Insured** for the **key employee** if the **Named Insured** had not lost the services of the **key employee**;
- b.** any **key employee replacement expenses** that are paid for by any **other insurance**;
- c.** except as provided in paragraph F. above, salary, wages, or benefits of the **Named Insured**, the **Named Insured's employees**, the **Named Insured's temporary workers** or **volunteer workers**;
- d.** costs to acquire, repair or replace real or personal property;
- e.** the **Named Insured's** loss of business income;
- f.** expenses incurred by or on behalf of the **Named Insured** to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by the **Named Insured**; and

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- g. expenses incurred by or on behalf of the **Named Insured** due to **bodily injury, property damage, or personal and advertising injury**.

Leased worker means a person leased to the **Named Insured** by a labor leasing firm under an agreement between the **Named Insured** and such labor leasing firm, to perform duties related to the conduct of the **Named Insured's** business. **Leased worker** does not include a **temporary worker**.

Loading or unloading means the handling of property:

- A. after it is moved from the place where it is accepted for movement into or onto an **aircraft, watercraft or auto**;
- B. while it is in or on an **aircraft, watercraft or auto**; or
- C. while it is being moved from an **aircraft, watercraft or auto** to the place where it is finally delivered.

However, **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **aircraft, watercraft or auto**.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- A. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- B. vehicles maintained for use solely on or next to premises the **Named Insured** owns or rents;
- C. vehicles that travel on crawler treads;
- D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1. power cranes, shovels, loaders, diggers or drills; or
 - 2. road construction or resurfacing equipment such as graders, scrapers or rollers;
- E. vehicles not described in A., B., C. or D. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - 2. cherry pickers and similar devices used to raise or lower workers; and
- F. vehicles not described in A., B., C. or D. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - 1. equipment designed primarily for:
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing; or
 - c. street cleaning;
 - 2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - 3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, **mobile equipment** does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are

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considered **autos**.

Named Insured means the persons or organizations named as such in the Declarations of this Policy.

Nuclear facility means:

- A.** any **nuclear reactor**;
- B.** any equipment or device designed or used for:
 - 1. separating the isotopes of uranium or plutonium;
 - 2. processing or utilizing **spent fuel**; or
 - 3. handling, processing or packaging **nuclear waste**;
- C.** any equipment or device used for the processing, fabricating or alloying of special **nuclear material** if at any time the total amount of such material in the custody of any **Insured** at the premises where such equipment is located consists of or contains more than:
 - 1. 25 grams of plutonium or uranium 233 or any combination thereof; or
 - 2. 250 grams of uranium 235; and
- D.** any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear material means source material, special nuclear material, or by-product material as these terms are defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear reactor means an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Waste means waste material:

- A.** containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material (as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof) content; and
- B.** resulting from the operation by any person or organization, of a **nuclear facility** included within paragraphs **A.** and **B.** of the definition of **nuclear facility**.

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Other insurance means any:

- A.** valid and collectible policy of insurance;
- B.** self insurance; or
- C.** indemnity agreement by which an **Insured** arranges for funding or transferring its liabilities

that provides coverage that this Policy also provides. **Other insurance** does not include **underlying insurance** or any policy that was bought specifically to apply in excess of the limits of insurance shown in the Declarations of this Policy.

Other organic pathogens means any organic irritant or contaminant other than **fungi**, including but not limited to bacteria, microbes and viruses (whether or not a microorganism), that cause infection and disease.

Other organic pathogens includes any spores, mycotoxins, odors, variants, mutations, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of such

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pathogens, and any colony or group of the foregoing.

However, **other organic pathogens** does not mean pathogens that were transmitted directly from person to person.

Permanent disability means permanent physical inability, or mental inability due to a permanent physical inability, of the **key employee** to perform the normal duties of the applicable position for which the individual qualifies as a **key employee**.

Personal and advertising injury means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution or abuse of process;
- C. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor;
- D. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E. oral or written publication, in any manner, of material that violates a person's right of privacy;
- F. the use of another's advertising idea in the **Named Insured's advertisement**; or
- G. infringing upon another's copyright, trade dress or slogan in the **Named Insured's advertisement**.

Policy period means the time from 12.01 A.M. on the effective date of this Policy as set forth in the Declarations of this Policy to the earlier of 12.01 A.M. of the expiration, termination or cancellation date of this Policy.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes medical waste and materials to be recycled, reconditioned or reclaimed.

Products-completed operations hazard means **bodily injury** or **property damage** occurring away from premises the **Named Insured** owns or rents and arising out of **your product** or **your work** except:

- A. products that are still in the **Named Insured's** physical possession; or
- B. work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - 1. when all of the work called for in the **Named Insured's** contract has been completed;
 - 2. when all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or
 - 3. when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

However, **products-completed operations hazard** does not include **bodily injury** or **property damage** arising out of:

- A. the transportation of property, unless **bodily injury** or **property damage** arises out of a condition in or on a vehicle not owned or operated by the **Named Insured**, and that condition was created by the **loading** or **unloading** of that vehicle by any **Insured**;
- B. the existence of tools, uninstalled equipment or abandoned or unused materials; or

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- C. products or operations for which the **underlying insurer** states that products-completed operations are subject to the General Aggregate Limit.

Property damage means:

- A. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **incident** that caused it.

However, **electronic data** is not tangible property.

Retained amount means the self insured retention as set forth on the Declarations of this Policy or the amount payable by **other insurance**, whichever is greater.

Silica means the chemical compound silicon dioxide (SiO₂) in any form, including dust which contains silicon dioxide.

Spouse means any husband, wife or partner in a marriage or civil union or any person qualifying as a domestic partner under any federal, state or local laws or under the **Named Insured's** employee benefit plans or employee benefits program.

Sub limit means a limit that is lower than the **underlying limits**.

Suit means a civil proceeding in which **damages** because of injury or damage to which this insurance applies are alleged, including:

- A. an **arbitration proceeding** alleging such **damages**; or
- B. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with the Insurer's consent.

Temporary worker means a worker who is furnished to the **Named Insured** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Underlying insurance means policies of insurance listed in the Schedule of **Underlying Insurance** including renewal or replacement of such insurance which is neither more restrictive nor more broad than that listed in the aforementioned Schedule of **Underlying Insurance**.

Underlying insurer means the insurer providing the **underlying insurance**. It does not include any insurer whose policies were purchased specifically to be in excess of this policy.

Underlying limits means the limits of insurance as set forth in the Schedule of **Underlying Insurance**.

Volunteer worker means a person who is not an **employee** and who donates his or her work and acts at the direction of or within the scope of duties determined by the **Named Insured** and is not paid a fee, salary or other compensation by the **Named Insured** or anyone else for their work performed for the **Insured**.

Your product means:

- A. means:
 - 1. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. the **Named Insured**;
 - b. others trading under the **Named Insured's** name; or
 - c. a person or organization whose business or assets the **Named Insured** has acquired; and
 - 2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

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B. includes:

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
2. The providing of or failure to provide warnings or instructions.

- C. does not include** vending machines or other property rented to or located for the use of others but not sold.

Your work:

A. means:

1. work or operations performed by the **Named Insured** or on its behalf; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. Includes:

1. warranties or representations made with respect to the fitness, quality, durability, performance or use of **your work**, and
2. the providing of or failure to provide warnings or instructions.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by the Insurer's Chairman and Secretary, but this Policy shall not be binding upon the Insurer unless completed by the attachment of the Declarations of this Policy and signed by the Insurer's duly authorized representative if required.

Chairman of the Board

Secretary


**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**
CANCELLATION AND NON-RENEWAL ENDORSEMENT NEW JERSEY

Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insureds" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL
I. CANCELLATION

- A. The first Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
- B. The Insurer may cancel the policy at any time and for any reason within the first sixty (60) days. The Insurer will mail or deliver written notice of cancellation at least ten (10) days prior to the effective of such cancellation if cancellation is for nonpayment or existence of a moral hazard as defined by NJAC 11:1-20.2(f) and thirty (30) days if for any other reason.
- C. If the policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:
 1. May be canceled for any underwriting reason set forth in our underwriting guidelines which were in effect at the policy inception. The underwriting guidelines must not be arbitrary, capricious or unfairly discriminatory.
 2. The following text sets forth certain approved reasons for midterm cancellations as approved guidelines. While an Insurer may issue other guidelines, it appears that an Insurer should limit its guidelines for midterm cancellation to those the Department has approved to avoid the possibility that the Department might rescind a cancellation.
 3. All underwriting reasons or guidelines utilized by the Insurer to cancel or non-renew the policy will be maintained by Insurer in writing and will be available to the Named insured or the Named Insured's lawful representatives upon written request.
 4. Only those guidelines which are in effect at the inception of the original policy or any renewal thereof, as applicable, may be utilized to cancel during the policy period.
 5. The following guidelines are approved for use:
 - a. Non-payment of premium;
 - b. Moral hazard, which is defined as:
 - i. The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a "moral hazard;" and
 - ii. The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability which we will be held responsible. Any change in the character or circumstances of an individual, corporate,

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 1; Page: 1 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 51 of 66



CNA Paramount Excess and Umbrella Liability Policy Endorsement

partnership or other insured that will increase probability of such a loss or liability may be considered a "moral hazard."

- c. Material misrepresentation or non-disclosure of material fact.
- d. Increased hazard or material change in the risk by the parties at inception of coverage.
- e. Substantial breaches of policy provisions that materially affect the nature and/or insurability of the risk.
- f. Lack of cooperation on loss control matters which materially affect insurability.
- g. Fraudulent acts which materially affects the risk.
- h. Loss of or reduction in available insurance capacity. This is an acceptable reason for cancellation only if the following exists:
 - i. an insurance department has declared insured to be financially impaired.
 - ii. substantial reductions in reinsurance or other changes which prohibit us from providing coverage at the same limits and terms as the existing policy; or
 - iii. an insurance department has issued an order indicating impaired financial condition of the reinsurer which may adversely affect the reinsurer's ability to meet its obligations.
- i. Failure of the Insured to comply with any federal, state or local fire, health, safety, building or construction regulation, law or ordinance which substantially increases any hazard insured against. The Insured has sixty (60) days to correct.
- j. Failure by the Insured to provide reasonable and necessary underwriting information to us upon written request and a reasonable time to respond.
- k. Agency termination, provided:
 - i. It is documented that replacement coverage at comparable rates and terms has been provided to the Insured, and the Insured has been informed, in writing of his or her right to continue coverage; or
 - ii. the Insured has agreed in writing to the cancellation based upon the termination of the agent.

The Insurer will mail notice of cancellation to the Named Insured not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, notice of cancellation will be mailed at least ten (10) days prior to the effective date of such cancellation.

- D. All notices of cancellation will state the reason for cancellation.
- E. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 1; Page: 2 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement****III. NON-RENEWAL**

- A. The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured, at the last mailing address known to the Insurer, not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of non-renewal. The notice will be sent by certified mail or by first class mail, if a date stamped proof of mailing has been obtained from the post office.
- B. Like notice of non-renewal will state the actual reason for non-renewal.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 1; Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 53 of 66



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CNA Paramount Excess and Umbrella Liability Policy Endorsement

PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

is amended by the addition of the following new exclusion:

Professional Services

any liability arising out of the actual or alleged rendering of, or failure to render, any professional services by the **Insured** or any other person for whose acts the **Insured** is legally responsible.

- II. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS** is amended by the addition of the exclusion set forth in paragraph I. above, except that the bolded word "**Insured**" is deleted in its entirety and replaced with "insured."

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75518XX (03-2015)

Endorsement Effective Date:

Endorsement No: 2; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Endorsement Expiration Date:

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement****CHANGES NOTICE OF CANCELLATION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

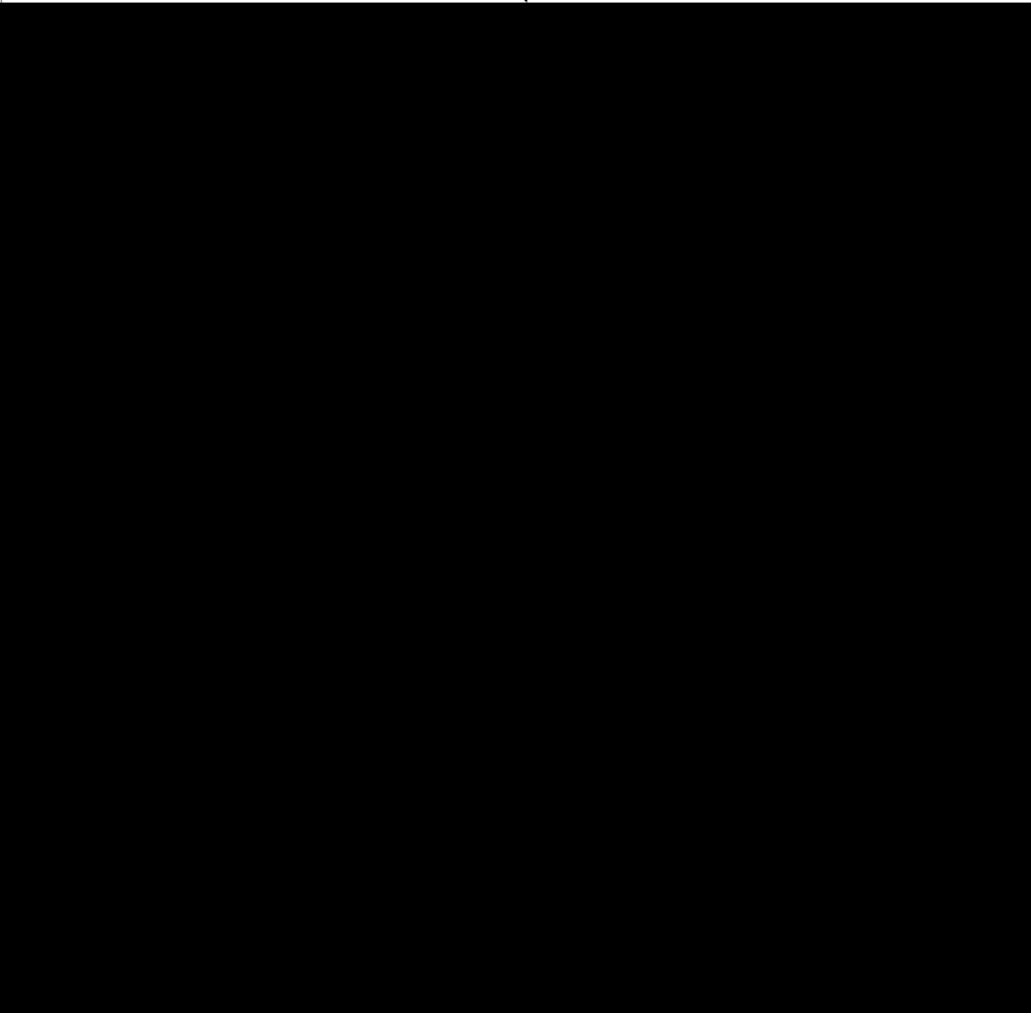
PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

- I. In the event of cancellation of this coverage during the **policy period** for a reason other than nonpayment of premium, the Insurer agrees to mail prior written notice of cancellation to:

SCHEDULE

| Name | Address | Number of Days Advanced Notice |
|---|---------|-----------------------------------|
|  | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |

Form No: CNA75525XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 3; Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**
SCHEDULE

| Name | Address | Number of Days Advanced Notice |
|------|---------|-----------------------------------|
|------|---------|-----------------------------------|

30

30

30

30

30

30

30

30

- II. If this Endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the bolded term "**policy period**" is deleted in its entirety and replaced with the term "policy period".

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75525XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 3; Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that the section entitled **EXCLUSIONS** is amended as follows:

- A. The subsection entitled **Coverage B – Umbrella Liability Coverage Exclusions**, the exclusion entitled **Employee Injury** is deleted in its entirety; and
- B. The subsection entitled **Coverage A Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions** is amended by the addition of the following new exclusion:

Employee Injury

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b. the **spouse**, child, parent, brother or sister of that **employee** as a consequence of a. above.

This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75576XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 4; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement****UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed as follows:

If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage B – Umbrella Liability Coverage Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**,

it is amended with the addition of the following new exclusion:

Underlying Insurance Coverage Limitation

Notwithstanding anything to the contrary, this policy does not provide broader coverage than that which is provided by any **underlying insurance**.

In the event of any difference between:

- a. exclusions, restrictions, limiting terms or conditions in this policy and
 - b. exclusions, restrictions, limiting terms or conditions in the **underlying insurance**;
- addressing the same general risk or hazard, then the more restrictive provision shall apply.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76492XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 5; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement****COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT - NEW JERSEY**

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A - Excess Follow Form Liability Exclusions** and the section entitled **Coverage B - Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A - Umbrella Liability Exclusions**;

the exclusion entitled **Pollution** is amended by the addition of the following:

For premises constructed on or after 1978, or premises constructed prior to 1978 which have been certified, prior to the **policy period**, as being free of existing lead hazards pursuant to standards established by the Department of Community Affairs, this exclusion does not apply to **bodily injury** arising out of lead contamination, or out of the inhalation, ingestion, use, handling or contact with lead paint at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**.

This provision will also apply to any premises constructed prior to 1978 which receives such certification during the **policy period**, but only for **bodily injury** which occurs after such certification.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76597NJ (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 6; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement****AMENDMENT TO NAMED INSURED**

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that:

1. The section entitled WHO IS AN INSURED is amended as follows:

a. Paragraph A. is deleted and replaced by the following:

A. With respect to Coverage A – Excess Follow Form Liability:

(1) Any person or organization that is a Named Insured under the provisions of **underlying insurance** shall be considered a **Named Insured** under Coverage A Excess Follow Form Liability;

(2) Any person or organization included as an insured under the provisions of **underlying insurance** is an **Insured** under Coverage A – Excess Follow Form Liability;

but only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

a. Paragraph B. is amended to add the following as **Named Insureds** under Coverage B – Umbrella Liability:

Entities that are named insureds under the provisions of **underlying insurance**, but only while a **Named Insured** has management control over the entity during the **policy period**, subject to the following:

(1) the coverage provided by this insurance to such an entity does not apply to:

(a) **bodily injury or property damage** that occurred; or

(b) **personal and advertising injury** caused by an **incident** first committed;

before a **Named Insured** has management control or after a **Named Insured** ceases to have management control; and

(1) no person or organization is a **Named Insured**:

(a) with respect to the conduct of any current, past or newly formed partnership, limited liability company or joint venture that is not covered by this endorsement as a **Named Insured**; or

(b) if the person or organization is excluded by another endorsement attached to this policy.

For the purpose of this provision, management control means a **Named Insured**:

- has more than 50% ownership interest in the entity, directly or indirectly; or
- exercises management or financial control over the entity.

a. Paragraph C. is deleted and replaced by the following:

C. With respect to Coverage C – Crisis Event Management and Coverage D – Key Employee, any entity that qualifies as a **Named Insured** under Coverage A or Coverage B also qualifies as a **Named Insured** under Coverage C and Coverage D.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

2. The section entitled **DEFINITIONS** is amended to delete the definition of **Named Insured** and replace it with the following:

Named Insured means the persons or organizations named as such in the Declarations, and any other organization qualifying as a **Named Insured** in the Section entitled WHO IS AN INSURED.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2022

Policy Page: 66 of 66

GROUP EXHIBIT F-7



CNA Paramount Excess and Umbrella Liability

Insured Name

SESI CONSULTING ENGINEERS
959 RT 46E
PARSIPPANY, NJ 07054-3409

Producer Information

USI INSURANCE SERVICES, LLC
180 PARK AVE 1ST FL
FLORHAM PARK, NJ 07932-1054

Policy Number

CUE 6056872810

Producer Processing Code

190-070108

Policy Period

12/23/2023 to 12/23/2024

CNA Branch

NEW JERSEY
184 Liberty Corner Road
Suite 402
Warren, NJ 07059

Thank you for choosing CNA!

With your CNA Paramount Excess and Umbrella Liability policy, you have insurance coverage tailored to meet the needs of your business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services

To file a claim contact us at:

Email: HPReports@CNA.com
Fax#: 800-446-8632
Phone Number: 866-909-5343
Mailing Address: Middle Market
CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Crisis Management Expenses

Please read your policy and any applicable endorsements regarding Crisis Management Expenses. You must report any Crisis Management Event to us as soon as reasonably practicable or within 72 hours of the event. The following are dedicated to crisis management reporting:

- Phone: 866-598-2528
- Fax: 866-508-1978
- E Mail: crisismanagement@cna.com
- Mailing Address: CNA, PO Box 8317, Chicago, IL 60680-8317

Please provide the following to report a Crisis Management Event:

- Name of Insured and Policy Number
- Callers name, title and contact telephone number
- A description of the incident



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**CNA Paramount Excess and Umbrella Liability
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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice****POLICYHOLDER NOTICE - NEW JERSEY PLIGA****IMPORTANT INFORMATION****"PLIGA" SURCHARGE
FOR OUR NEW JERSEY
COMMERCIAL LINES POLICYHOLDERS**

Your policy premium includes a New Jersey Property – Liability Insurance Guaranty Association (PLIGA) surcharge. PLIGA protects consumers from insurance company insolvencies. The cost of this guaranty fund is assessed to all insurance companies in New Jersey; and in compliance with Department of Insurance Order No. A18-105, it is passed along to individual consumers via this surcharge.

The surcharge is 0.50% of your premium for all property/liability coverage except for life insurance, accident and health insurance, workers' compensation insurance, title insurance, annuities, surety bonds, credit insurance, mortgage guaranty insurance, municipal bond coverage, fidelity insurance, investment return assurance, ocean marine insurance, and pet health insurance.

For purposes of this surcharge and in compliance with New Jersey Insurance Department Regulation N.J.S.A. 17:30A-8a (3), the declarations page of this policy is the "premium bill."

If you have questions about the New Jersey – Liability Insurance Guaranty Association or this surcharge, please contact your independent CNA agent.

Form No: CNA62848NJ (02-2023)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2023

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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice****POLICYHOLDER NOTICE - OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM****IMPORTANT INFORMATION****NOTICE - OFFER OF TERRORISM COVERAGE;
DISCLOSURE OF PREMIUM****THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR
CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 reauthorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. Beginning in 2020, the federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Calendar Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Calendar Year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Form No: CNA75532XX (01-2021)

Policyholder Notice Page: 1 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2023

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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice**

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.

Form No: CNA75532XX (01-2021)

Policyholder Notice Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2023

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**CNA Paramount Excess and Umbrella Liability
Policyholder Notice****POLICYHOLDER NOTICE OFAC REQUIREMENTS****POLICYHOLDER NOTICE**

CNA Commercial Insurance
CNA Plaza 38S-420
Chicago, IL 60685-0001

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Form No: CNA76614XX (03-2015)

Policyholder Notice Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

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CNA Paramount Excess and Umbrella Liability Policy Declarations

POLICY DECLARATIONS

Named Insured and Mailing Address

Named Insured:
SESI CONSULTING ENGINEERS

Mailing Address:
959 RT 46E
PARSIPPANY, NJ 07054-3409

Policy Information

Policy Number: 6056872810
Renewal of: 6056872810
Insurer's Name and Address:
The Continental Insurance Company
151 N Franklin St
Chicago, IL 60606

Producer Information

Producer:
USI INSURANCE SERVICES, LLC
180 PARK AVE 1ST FL
FLORHAM PARK, NJ 07932-1054
Producer Code: 190-070108

Policy Period

12/23/2023 to 12/23/2024 at 12:01 a.m. Standard Time at your mailing address.

Limits of Insurance

| | |
|---|-------------|
| Each Incident Limit | \$5,000,000 |
| Aggregate Limit | \$5,000,000 |
| Aggregate Products-Completed Operations Hazard Limit | \$5,000,000 |
| Policy Aggregate Limit | N/A |
| Crisis Management Expenses Aggregate Limit | \$300,000 |
| Key Employee Replacement Expenses Aggregate Limit | \$100,000 |

Self-Insured Retention

Self-Insured Retention \$10,000

Form No: CNA75501XX (03-2015)
Policy Declarations Page: 1 of 3
Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810
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Policy Page: 11 of 66


**CNA Paramount Excess and Umbrella Liability
Policy Declarations**
Schedule of Underlying Insurance

| Underlying Insurer Policy Number Policy Period Note: | Underlying Insurance | Coverages | Limits of Insurance |
|---|--------------------------------|--|--|
| American Casualty Company of Reading, Pennsylvania 6056872807 12/23/2023 to 12/23/2024 | General Liability | Each Occurrence Limit General Aggregate Limit Per Location : yes Per Project : yes Products/ Completed Operations Aggregate Limit Personal and Advertising Injury Liability Limit | \$1,000,000 \$2,000,000 \$2,000,000 \$1,000,000 |
| American Casualty Company of Reading, Pennsylvania 6056872807 12/23/2023 to 12/23/2024 | Employee Benefits Liability | Each Employee Limit Aggregate Limit | \$1,000,000 \$1,000,000 |
| American Casualty Company of Reading, Pennsylvania 6056872791 12/23/2023 to 12/23/2024 | Auto Liability | Combined Single Limit | \$1,000,000 |

Forms and Endorsements Attached to this Policy
See SCHEDULE OF FORMS AND ENDORSEMENTS

Form No: CNA75501XX (03-2015)
Policy Declarations Page: 2 of 3
Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810
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CNA Paramount Excess and Umbrella Liability Policy Declarations

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Premium

| | |
|--|-------------------------|
| Minimum Earned Premium | 0% of the Total Premium |
| Total Premium | |
| Premium includes the following amount for Certified Acts of Terrorism Coverage | |
| New Jersey Property & Liability Insurance Guaranty Association Surcharge | |

Notices

Notice to insurer

Address: CNA Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Fax #: 800-446-8632

Email Address: HPRports@CNA.com

Form No: CNA75501XX (03-2015)

Policy Declarations Page: 3 of 3

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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**CNA Paramount Excess and Umbrella Liability
Policy Schedule****PAYMENT PLAN SCHEDULE****PAYMENT PLAN SCHEDULE**

THE BILLING FOR THIS POLICY WILL BE FORWARDED TO YOU DIRECTLY FROM CNA.

THIS PREMIUM WILL BE INVOICED BY CNA ON A SEPARATE STATEMENT ACCORDING TO THE PAYMENT
OPTION YOU SELECT.

The premium amount for this transaction is:

000028 - 0010 of 0036 - NNNNN - 00461 JOBID 38721002491

INSURED

Form No: CNA84401XX (12-2015)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2023

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CNA Paramount Excess and Umbrella Liability Policy Schedule

SCHEDULE OF FORMS AND ENDORSEMENTS

| Endorsement Number | Form Name | Form Number | Form Edition Date |
|--------------------|---|-------------|-------------------|
| | POLICYHOLDER NOTICE - NEW JERSEY PLIGA | CNA62848NJ | 02-2023 |
| | POLICYHOLDER NOTICE - OFFER OF TERRORISM COVERAGE DISCLOSURE OF PREMIUM | CNA75532XX | 01-2021 |
| | POLICYHOLDER NOTICE OFAC REQUIREMENTS | CNA76614XX | 03-2015 |
| | POLICY DECLARATIONS | CNA75501XX | 03-2015 |
| | PAYMENT PLAN SCHEDULE | CNA84401XX | 12-2015 |
| | PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY | CNA75504XX | 03-2015 |
| 1 | CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY | CNA62814NJ | 09-2012 |
| 2 | PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT | CNA75518XX | 03-2015 |
| 3 | CHANGES - NOTICE OF CANCELLATION ENDORSEMENT | CNA75525XX | 03-2015 |
| 4 | EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT | CNA75576XX | 03-2015 |
| 5 | UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT | CNA76492XX | 03-2015 |
| 6 | COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT NEW JERSEY | CNA76597NJ | 03-2015 |
| 7 | AMENDMENT TO NAMED INSURED | CNA88301XX | 08-2017 |

Form No: CNA62640XX (09-2012)

Policy Schedule Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2023

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**CNA Paramount Excess and Umbrella Liability Policy****PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY**

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

The "Insurer" refers to the insurer providing this insurance as set forth on the Declarations of this Policy. Words and phrases that appear in **bold** have special meaning. Refer to the section entitled **DEFINITIONS**.

I. COVERAGES**A. Coverage A - Excess Follow Form Liability**

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the applicable **underlying limits**. Coverage hereunder will attach only after the full amount of the applicable **underlying limits** have been exhausted through payment in legal currency of covered loss under all applicable **underlying insurance** and to which this Coverage A applies.

Coverage A under this Policy will then apply in conformance with the provisions of the applicable **underlying insurance** except for the premium, limits of insurance, deductible, retentions, or any defense obligations and any other terms and conditions specifically set forth in this Policy.

Upon exhaustion of the applicable **underlying limits**, the Insurer shall only pay for **damages** in excess of the applicable **underlying limits**. This Coverage A does not provide coverage for any loss not covered by the applicable **underlying insurance** except and to the extent that such loss is not paid under the applicable **underlying insurance** solely by reason of the exhaustion of the applicable **underlying limits** through payment of loss thereunder.

This Coverage applies:

1. if the applicable **underlying insurance** is on an occurrence basis, then only if that which must take place in the policy period of the **underlying insurance** in order to trigger coverage, takes place during this **policy period**; and
2. if the applicable **underlying insurance** is on a claims made basis, then only if:
 - a. that which must take place in the **underlying insurance** in order to trigger coverage, takes place after the retroactive date and prior to the end of the **policy period**; and
 - b. the **claim** is first made during the **policy period**.

B. Coverage B - Umbrella Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the **retained amount**:

1. that an **Insured** becomes legally obligated to pay because of **bodily injury, property damage or personal and advertising injury**; or
2. because of liability for **bodily injury or property damage** assumed under an **insured contract**, provided the **bodily injury or property damage** occurs subsequent to the execution of such **insured contract**;

and provided that:

- a. the **bodily injury or property damage** occurs during the **policy period**;
- b. the **bodily injury or property damage** is caused by an **occurrence** that takes place in the **coverage territory**;

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Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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CNA Paramount Excess and Umbrella Liability Policy

- c. the **personal and advertising injury** is caused by an offense arising out of the **Named Insured's** business; and
- d. the offense giving rise to **personal and advertising injury** was first committed during the **policy period** and in the **coverage territory**;

Provided, however, that **Coverage B - Umbrella Liability**:

- i. does not apply to:
 - (a) any part of **damages** to which **underlying insurance** applies; or
 - (b) any part of **damages** to which **underlying insurance** would have applied regardless of:
 - (1) the availability of **underlying insurance**; or
 - (2) the exhaustion of the applicable **underlying limits**;
 - (c) any **defense costs** related to **damages** as described in a. and b. above.
- ii. applies only if prior to the effective date of the **policy period**, no **authorized insured**:
 - (a) knew that such **bodily injury** or **property damage** had occurred, in whole or in part. If any **authorized insured** knew, prior to the **policy period**, that any such **bodily injury** or **property damage** had occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**; or
 - (b) knew that any offense giving rise to **personal and advertising injury** had occurred, in whole or in part.

Bodily injury or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any **authorized insured**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

An **authorized insured** will be deemed to know:

- 1. that such **bodily injury** or **property damage** occurred, at the earliest time when such **authorized insured**:
 - a. reports the **bodily injury** or **property damage** to the Insurer or any other insurer;
 - b. receives a **claim** arising out of the **bodily injury** or **property damage**; or
 - c. becomes aware by any other means that the **bodily injury** or **property damage** has occurred or has begun to occur;
- 2. that such offense giving rise to **personal and advertising injury** occurred, on the date of the first utterance or dissemination or, if there is no utterance or dissemination, then on the first date of the activity giving rise to a **claim**.

C. Coverage C - Crisis Management Expenses

The Insurer will reimburse the **Named Insured** for **crisis management expenses** incurred by the **Named Insured** as a direct result of its response to a **crisis management event** that first occurs during the **policy period**, provided:

- 1 such **crisis management event** is reported to the Insurer as soon as reasonably practicable following the **crisis management event**, or within 72 hours after such **crisis management event** begins if such **crisis management event** is likely to give rise to **bodily injury** or **property damage**;



CNA Paramount Excess and Umbrella Liability Policy

2. such **crisis management expenses** are incurred within 180 days after the **crisis management event** and reported to the Insurer as soon as reasonably practicable; and,
3. such **crisis management expenses** are approved in advance by the Insurer.

The period of time for which the Insurer will pay **crisis management expenses** will not be limited by the expiration of the **policy period**.

D. Coverage D – Key Employee

The Insurer will reimburse the **Named Insured** for **key employee replacement expenses** due to the **Named Insured's** permanent loss of the services of a **key employee** provided that:

1. the **Named Insured** would not have incurred such **key employee replacement expenses** if the **Named Insured** had not lost the services of the **key employee**;
2. such **key employee replacement expenses** are incurred by the **Named Insured** within 180 days of the **covered accident** and reported to the Insurer as soon as reasonably practicable;
3. such loss of service is caused by a **covered accident**;
4. the **covered accident** occurs during the **policy period**; and
5. a replacement for such **key employee** is hired within 180 days after the **covered accident**.

The period of time for which the Insurer will pay **key employee replacement expenses** will not be limited by the expiration of the **policy period**.

II. DEFENSE COSTS PAYMENT AND RELATED DUTIES

- A. The Insurer has the right and duty to defend any **suit**, and the right to assume control of the investigation and settlement of any **claim**, against the **Insured**, as follows:
 1. with respect to the **Coverage A - Excess Follow Form Liability**, upon exhaustion through payment in legal currency of the full amount of the applicable **underlying limits** over which **Coverage A** applies.
 2. with respect to the **Coverage B - Umbrella Liability**, upon receipt by the Insurer of a **claim** to which Coverage B applies.

When the Insurer has the duty to defend any **suit** and the right to investigate any **claim** but is prevented by law from doing so, the **Insured** will undertake such defense and investigation, and the Insurer will reimburse the **Insured** for the **defense costs**.

The Insurer's obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** does not apply if any other insurer has a duty to defend. Further, any obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** ceases upon exhaustion of the applicable limits of insurance of this Policy.

- B. The Insurer may, at the Insurer's sole discretion and at the Insurer's own cost, elect to participate in the investigation, settlement or defense of any **claim** against any of the **Insureds** for matters covered by this Policy even if the applicable **underlying limit** has not been exhausted.
- C. The Insurer will pay **defense costs** as follows:
 - 1 with respect to the **Coverage A - Excess Follow Form Liability**, **defense costs** are paid within or excess of the limits of insurance as set forth in the applicable **underlying insurance**.
 2. with respect to the **Coverage B - Umbrella Liability**, **defense costs** are paid in excess of and do not erode the limits of insurance or the **retained amount**.
- D Where the Insurer investigates a **claim** or defends a **suit**, the Insurer will do so even if the allegations of a **claim** are groundless, false, or fraudulent. If Insurer investigates a **claim** or defends a **suit**, Insurer will

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CNA Paramount Excess and Umbrella Liability Policy

do so only until the Insurer:

1. makes payment of; or
2. offers to pay; or
3. deposits in court

that part of a judgment up to but not exceeding the Insurer's applicable limits of insurance.

- E. No **Insured** shall admit liability, consent to any judgment, agree to any settlement or make any settlement offer which is reasonably likely to involve this Policy without the Insurer's prior written consent, such consent not to be unreasonably withheld. The **Insureds** agree that they shall not knowingly take any action that increases the Insurer's exposure for **damages** or **defense costs** under this Policy.

III. EXCLUSIONS

A. Coverage A - Excess Follow Form Liability and Coverage B - Umbrella Liability Exclusions

With respect to both the **Coverage A- Excess Follow Form Liability** and **Coverage B -Umbrella Liability**, this Insurance does not apply to:

1. Access to or Disclosure of Confidential or Personal Information and Data-Related Liability

any actual or alleged **damages** arising out of:

- a. any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- b. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the **Named Insured** or others arising out of that which is described in paragraph a. or b. above.

However, unless paragraph a. above applies, this exclusion does not apply to **bodily injury** to the extent that such liability is covered by **underlying insurance**.

2. Asbestos

- a. any actual or alleged liability arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or
- b. any actual or alleged loss, cost or expense that may be awarded or incurred:
 - i. by reason of a **claim** for any such injury or damage; or
 - ii. in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of **asbestos**.

3. Damage to Impaired Property or Property not Physically Injured

any actual or alleged **property damage** to **impaired property** or property that has not been physically injured, arising out of:

- a. a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- b. a delay or failure by the **Named Insured** or anyone acting on the **Named Insured's** behalf to perform a contract or agreement in accordance with its terms.

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CNA Paramount Excess and Umbrella Liability Policy

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

4. Damage to Premises Rented or Occupied by the Named Insured

any actual or alleged **property damage** to premises rented to the **Named Insured** or in the case of damage by fire, while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the owner.

5. Distribution or Recording of Material or Information in Violation of Laws

any actual or alleged liability arising directly or indirectly out of any actual or alleged:

- a. violation of:
 - i. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - ii. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - iii. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
 - iv. any statute, ordinance, regulation or law other than the TCPA, CAN-SPAM Act of 2003, or FCRA, including FACTA, and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information; or
- b. conversion or consumption of another's tangible property or electronic assets. For the purpose of this provision, electronic assets include but are not limited to minute allowances, text message allowances, and other electronic consumables.

6. Employment Related Practices

any actual or alleged **bodily injury** or **personal and advertising injury** to:

- a. a person arising out of any actual or alleged:
 - i. refusal to employ that person;
 - ii. termination of that person's employment;
 - iii. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. the **spouse**, child, parent, brother or sister of that person as a consequence of such **bodily injury** or **personal and advertising injury** to that person at whom any of the employment-related practices described in paragraphs a. i., ii., or iii. above is directed.

This exclusion applies:

- a. whether the injury-causing event described in paragraphs a. i., ii., or iii. above occurs before employment, during employment or after employment of that person;
- b. whether the **Insured** may be liable as an employer or in any other capacity; and
- c. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, this exclusion does not apply to **bodily injury** a person sustains during a job interview while attempting to demonstrate a physical capability or skill required by the job to the extent that

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CNA Paramount Excess and Umbrella Liability Policy

such liability is covered by **underlying insurance**.

7. ERISA

any actual or alleged liability arising out of any actual or alleged obligation of any **Insured** under the Employees Retirement Income Security Act of 1974 or any similar common or statutory law anywhere in the world including any amendments or additions thereto.

8. Nuclear Energy Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury**:

- a. with respect to which an **Insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of insurance;
- b. resulting from the **hazardous properties of nuclear material** and with respect to which:
 - i. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - ii. the **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- c. resulting from **hazardous properties of nuclear material**, if:
 - i. the **nuclear material**:
 - (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **Insured** or
 - (b) has been discharged or dispersed therefrom;
 - ii. the **nuclear material** is contained in **spent fuel** or **nuclear waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
 - iii. the **bodily injury, property damage or personal and advertising injury** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion applies only to **property damage** to such **nuclear facility** and any property thereat.
- d. Under any Medical Payments coverage, to expenses with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

Solely as used in this exclusion:

- (a) **property damage** includes all forms of radioactive contamination of property;
- (b) **hazardous properties** includes but is not limited to radioactive, toxic or explosive properties;
- (c) source material, special nuclear material, and by-product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

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CNA Paramount Excess and Umbrella Liability Policy

9. Recall of Products, Work or Impaired Property

any actual or alleged loss, cost or expense incurred by the **Named Insured** or any person or entity, for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product, your work or impaired property**, if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

10. Unfair Competition/Antitrust Claims/RICO Claims

any actual or alleged liability arising out of any:

- a. unfair competition, dilution, deceptive trade practices, or civil actions for consumer fraud;
- b. charges of price fixing, monopolization or restraint of trade; or
- c. any violation of:
 - i. the Federal Trade Commission Act;
 - ii. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - iii. the Racketeer Influenced and Corrupt Organizations Act;
 - iv. any rules or regulations promulgated under or in connection with the above statutes; or
 - v. any state, federal or local statute or other law which similarly regulates business practices.

11. Uninsured/Underinsured Motorists

any actual or alleged liability arising out of any obligations under an uninsured/underinsured motorist law, a personal injury protection law, a reparations benefit law or other similar law.

12. War

any actual or alleged liability arising, directly or indirectly out of any:

- a. war, including undeclared or civil war;
- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Workers' Compensation and Similar Laws /Nonsubscriber Status

any actual or alleged liability arising out of any obligation of any **Insured**:

- a. under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- b. by reason of a statement of non-subscription on file with any applicable Worker's Compensation authority of any State indicating the **Named Insured** has chosen not to participate in the Workers Compensation system in accordance with laws of such state.

B. Coverage A - Excess Follow Form Liability Exclusions

With respect to **Coverage A - Excess Follow Form Liability**, this Insurance does not apply to:

1. Coverages Subject to a Sub Limit

any actual or alleged liability, loss, cost or expense covered under any **underlying insurance** which is

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Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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CNA Paramount Excess and Umbrella Liability Policy

subject to a **sub limit**.

2. Crisis Management Expenses

crisis management expenses except as provided for in **Coverage C** above even if such insurance is afforded under **underlying insurance** or would have been afforded but for the exhaustion of the **underlying limits**.

3. Pollution

- a. any actual or alleged **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - i. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured** except that this subparagraph does not apply to:
 - (a) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**; or
 - (b) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - ii. at or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom the **Named Insured** may be legally responsible; or
 - iv. at or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:
 - (a) If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor; except that this subparagraph does not apply to **bodily injury** or **property damage** arising out of:
 - (1) the escape of fuels, lubricants, or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury** or **property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **Insured**, contractor or subcontractor; or
 - (2) heat, smoke or fumes from a **hostile fire**; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**;
 - v. that are, or that are contained in property that is:
 - (a) being transported or towed by, or handled for movement into, onto or from a covered **auto**;
 - (b) otherwise in the course of transit; or



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(c) being stored, disposed of, treated or processed in or upon the covered **auto** except that this subparagraph does not apply to fuels, lubricants, fluids, exhaust, gases or other similar **Pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts if the **pollutants** escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**;

vi. before the **pollutants** or property in which the **pollutants** are contained are moved from the place where they are accepted by the **Insured** for movement into or onto the covered **auto**;

or

vii. after the **pollutants** or property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **Insured**.

Subparagraphs vi. and vii. do not apply if the **pollutants** or property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto** and the discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

b. any actual or alleged **personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.

c. any actual or alleged loss, cost or expense arising out of any:

- i. request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
- ii. claim by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

However, if liability for **damages** because of **property damage** is not excluded by paragraph a. of this exclusion, then neither will paragraph c. above serve to exclude such **damages**.

C. Coverage B - Umbrella Liability Exclusions

With respect to the **Coverage B - Umbrella Liability**, this Insurance does not apply to:

1. Aircraft, Auto, Watercraft or Mobile Equipment

any actual or alleged **bodily injury, property damage, personal and advertising injury** arising out of the ownership, maintenance, operation, use, **loading or unloading** or entrustment to others of any:

- a. **aircraft** owned by any **Insured** or rented, loaned or chartered by or on behalf of any **Insured** without crew; or
- b. **autos, watercraft or mobile equipment**

This exclusion applies even if such **claim** against an **Insured** alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**.

This exclusion does not apply to:

- i. watercraft while ashore on premises the **Named Insured** owns or rents;
- ii. watercraft the **Named Insured** does not own that is:
 - (a) less than 55 feet long; and
 - (b) not being used to carry persons or property for a charge; or

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- iii. liability assumed under any **insured contract** for the ownership, maintenance or use of watercraft.

2. Contractual Liability

any actual or alleged **bodily injury, property damage or personal and advertising injury** for which an **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement other than an **insured contract**. This exclusion does not apply to liability that the **Insured** would have in the absence of such contract or agreement.

3. Damage to Property

any actual or alleged **property damage** to:

- a. property the **Named Insured** owns, rents, or occupies, including any costs or expenses incurred by the **Named Insured**, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. premises the **Named Insured** sells, gives away or abandons, if the **property damage** arises out of any part of those premises;
- c. property loaned to the **Named Insured**;
- d. personal property in the care, custody or control of the **Insured**;
- e. that particular part of real property on which the **Named Insured** or any contractors or subcontractors working directly or indirectly on its behalf are performing operations, if the **property damage** arises out of those operations; or
- f. that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph b. of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by the **Named Insured**.

Paragraphs c., d., e. and f. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph f. of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

4. Damage to Your product

any actual or alleged **property damage** to **your product** arising out of it or any part of it.

5. Damage to Your work

any actual or alleged **property damage** to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**. This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the **Named Insured's** behalf by a subcontractor.

6. Employee Injury

any actual or alleged **bodily injury or personal and advertising injury** to:

- a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b. the **spouse, child, parent, brother or sister** of that **employee** as a consequence of a. above.

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This exclusion applies:

- i. whether an **Insured** may be liable as an employer or in any other capacity; and
- ii. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **Insured** under an **insured contract**.

7. Expected or Intended injury

any actual or alleged **bodily injury** or **property damage** arising out of an act or omission:

- a. intended by an **Insured**; or
- b. that would be expected from the standpoint of a reasonable person in the circumstances of the **Insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. Fungi or Other Organic Pathogens

- a. any actual or alleged **bodily injury**, **property damage** or **personal and advertising injury** arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi** or **other organic pathogens**;
- b. any actual or alleged loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of **fungi** or **other organic pathogens** by any **Insured** or by anyone else; or
- c. any actual or alleged **property damage** caused by water where there also exists any **property damage** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi** or **other organic pathogens**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense.

9. Liquor Liability

any actual or alleged **bodily injury** or **property damage** for which any **Insured** may be held liable by reason of:

- a. causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on the **Insured's** premises, for consumption on the **Insured's** premises;
- b. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the **claims** against any **Insured** allege negligence or other wrongdoing in:

- i. the supervision, hiring, employment, training or monitoring of others by that **Insured**; or

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- ii. providing or failing to provide transportation with respect to any person that may be under the influence of alcohol,

if the **occurrence** which caused the **bodily injury** or **property damage** involved that which is described in paragraph a., b. or c. above.

10. Nonemployment Related Discrimination

any actual or alleged personal and advertising injury arising out of any actual or alleged nonemployment related discrimination committed intentionally against a person.

11. Personal and Advertising Injury

any actual or alleged **personal and advertising injury**:

a. Breach of Contract

arising out of breach of contract, except an implied contract to use another's advertising idea in the **Named Insured's advertisement**.

b. Criminal Acts or Conduct

arising out of any actual or alleged criminal act or omission committed by or at the direction of any **Insured**. This exclusion does not apply to the extent liability is imposed upon the **Insured** for acts or omissions of another committed without the knowledge or consent of the **Insured**.

c. Electronic Chat Rooms or Bulletin Boards

arising out of an electronic chat room or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

d. Infringement of Copyright, Patent, Trademark or Trade Secret

arising out of infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in the **Named Insured's advertisement**. However, this exclusion does not apply to infringement of copyright, trade dress or slogan in the **Named Insured's advertisement**.

e. Insureds in Media and Internet Type Businesses

committed by an **Insured** whose business is:

- i. advertising, broadcasting, publishing or telecasting;
- ii. designing or determining content or web-sites for others; or
- iii. an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraph A., B. or C. of **personal and advertising injury** as defined in the section entitled Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for the **Named Insured** or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

f. Knowing Violation of Rights of Another

caused by an actual or alleged offense, act or omission by or at the direction of the **Insured** if the **Insured** knew or should have known that such offense, act or omission would cause such **personal and advertising injury**.



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g. Material Published Prior To Policy Period

arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

h. Material Published with Knowledge of Falsity

arising out of written publication in any manner of material, if the **Insured** knew or should have known the material was false.

i. Quality or Performance of Goods – Failure to Conform to Statements

arising out of any failure of goods, products or services to conform to any statement of quality or performance made in the **Named Insured's advertisement**.

j. Unauthorized Use of Another's Name or Product

arising out of unauthorized use of another's name or product in the **Named Insured's** e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

k. Wrong Description of Prices

arising out of the wrong description of the price of goods, products or services stated in the **Named Insured's advertisement**.

12. Pollution

- a. any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- b. any actual or alleged loss, cost or expense arising out of any:
 - i. request, demand, order, or statutory or regulatory requirement that anyone test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**; or
 - ii. **claim** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants**.

13. Silica

- a. any actual or alleged **bodily injury** arising, in whole or in part, out of the actual, alleged or threatened respiration or ingestion at any time of **silica**; or
- b. any actual or alleged **property damage** arising in whole or in part out of the actual, alleged or threatened presence of **silica**.
- c. any actual or alleged **personal and advertising injury** arising, in whole or in part, out of the actual, alleged or threatened:
 - i. exposure at any time to; or
 - ii. presence at any time of;**silica**.

14. Terrorism

any actual or alleged **bodily injury, property damage or personal and advertising injury** arising out of any act of terrorism.

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D. Coverage D - Key Employee Exclusions

With respect to **Coverage D – Key Employee**, this insurance does not apply to any actual or alleged:

1. Death or Disability

death or permanent disability of a **key employee** relating to, or arising out of:

- a. nuclear reaction or radiation or radioactive contamination, however caused;
- b. sickness or disease, including mental illness or mental injury;
- c. pregnancy, childbirth, miscarriage or abortion;
- d. suicide, attempted suicide or self inflicted bodily injury, while sane or insane;
- e. the **key employee's** intoxication, impairment or otherwise being under the influence of alcohol or controlled substances;
- f. war, including undeclared or civil war;
- g. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- h. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Other Expenses

- a. expenses the **Named Insured** incurs which the **Named Insured** would not have incurred if the **Named Insured** had used all reasonable means to:
 - i. find a permanent replacement for the **key employee**; and
 - ii. reduce or discontinue the **key employee** replacement expense;
 as soon as possible after the **Named Insured's** permanent loss of the services of the **key employee** caused by a **covered accident**.
- b. additional expenses incurred due to the **Named Insured's** loss of the services of a permanent replacement appointed or hired to replace a **key employee**, however caused. However, this exclusion does not apply if the replacement employee is included in the definition as a **key employee** and the **Named Insured's** loss of the services of the replacement employee is caused by a **covered accident**.

IV. WHO IS AN INSURED

The following persons or organizations are **Insureds**.

A. With respect to Coverage A - Excess Follow Form Liability, the **Named Insured** and any persons or organizations included as an insured under the provisions of **underlying insurance** are **Insureds**, and then only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

B. With respect to the Coverage B - Umbrella Liability:

- 1. If the **Named Insured** is designated in the Declarations of this Policy as:
 - a. an individual, the **Named Insured** and the **Named Insured's spouse** are **Insureds**, but only with respect to the conduct of a business of which the **Named Insured** is the sole owner.
 - b. a partnership or joint venture, the **Named Insured** is an **Insured**. The **Named Insured's** members, the **Named Insured's** partners, and their **spouses** are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business.

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- c. a limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** members are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business. The **Named Insured's** managers are **Insureds**, but only with respect to their duties as the **Named Insured's** managers.
- d. an organization other than a partnership, joint venture or limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** executive officers and directors are **Insureds**, but only with respect to their duties as the **Named Insured's** officers or directors. The **Named Insured's** stockholders are also **Insureds**, but only with respect to their liability as stockholders.
- e. a trust, the **Named Insured** is an **Insured**. The **Named Insured's** trustees are also **Insureds**, but only with respect to their duties as trustees.

2. Each of the following are also Insureds:

- a. The **Named Insured's** volunteer workers but only while performing duties related to the conduct of the **Named Insured's** business.
- b. The **Named Insured's** employees, other than either the **Named Insured's** executive officers (if the **Named Insured** is an organization other than a partnership, joint venture or limited liability company) or the **Named Insured's** managers (if the **Named Insured** is a limited liability company), but only for acts within the scope of their employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business.

However, none of these employees or volunteer workers are Insureds for:

i. bodily injury or personal and advertising injury:

- (a) to the **Named Insured**, to the **Named Insured's** partners or members (if the **Named Insured** is a partnership or joint venture), to the **Named Insured's** members (if the **Named Insured** is a limited liability company), to a co-employee while in the course of his or her employment or performing duties related to the conduct of the **Named Insured's** business, or to the **Named Insured's** other volunteer workers while performing duties related to the conduct of the **Named Insured's** business;
- (b) to the spouse, child, parent, brother or sister of that co-employee or volunteer worker as a consequence of paragraph (i)(a) above;
- (c) for which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraph i. (a) or (b) above; or
- (d) arising out of his or her providing or failing to provide professional health care services.

ii. property damage to property:

- (a) owned, occupied or used by;
- (b) rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

the **Named Insured**, any of the **Named Insured's** employees, volunteer workers, any partner or member (if the **Named Insured** is a partnership or joint venture), or any member (if the **Named Insured** is a limited liability company).

- C. With respect to the **Coverage C - Crisis Event Management** and the **Coverage D - Key Employee**, the **Named Insured** is the **Insured**.

V. LIMITS OF INSURANCE**A. Multiple Insureds, claims, claimants**

The limits of insurance shown in the Declarations of this Policy and the rules below fix the most the

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Insurer will pay regardless of the number of:

1. **Insureds**;
2. **claims** made or brought against the **Insured**;
3. persons or organizations making **claims** or bringing **claims**; and
4. coverages under this Policy.

B. Aggregate Limit

Subject to the paragraphs **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate limit is the most that the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for:

1. **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated; and
2. **damages** covered under the **products-completed operations hazard**.

The limits of insurance shown in the Declarations of this Policy apply to the entire **policy period**, regardless of length.

In addition, with respect to **Coverage A – Excess Follow Form Liability** only, the Aggregate limit shown in the Declarations of this Policy shall be applied in the same manner as the applicable Aggregate limits in the Schedule of **underlying insurance**.

C. Aggregate Products-Completed Operations Hazard

Subject to paragraph **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate Products-Completed Operations Hazard limit is the most that the Insurer will pay as **damages** arising out of the **products-completed operations hazard**, regardless of whether such **damages** are or otherwise would be covered in any way under more than one coverage.

D. Policy Aggregate Limit

This provision **D.** only applies if an amount is shown in the Declarations as the Policy Aggregate Limit.

Subject to the Each **Incident** limit, Aggregate limit and Aggregate **products-completed operations hazard** limit, the Policy Aggregate limit is the most the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated.

E. Each Incident

Subject to paragraphs **B.**, **C.** and **D.** above, the limit of insurance shown in the Declarations of this Policy as the Each **Incident** limit is the most the Insurer will pay for the sum of all **damages** arising out of any one **incident** under this Policy, regardless of which coverage applies.

F. Crisis Management

Solely with respect to **Coverage C – Crisis Management Expenses**, the most the Insurer will pay is the limit of insurance shown on the Declarations of this Policy as the **Crisis Management Expenses** Aggregate limit, regardless of the number **crisis management events** for which **crisis management expenses** are incurred. **Crisis management expenses** are not subject to the **retained amount**.

The **Crisis Management Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Crisis Management Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

G. Key Employee Replacement Expenses

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Solely with respect to **Coverage D – Key Employee**, the most the Insurer will pay for **key employee replacement expenses** is the **Key Employee Aggregate** limit shown on the Declarations of this Policy, regardless of the number **key employees** for which **key employee replacement expenses** are incurred. **Key employee replacement expenses** are not subject to the **retained amount**.

The **Key Employee Replacement Expenses Aggregate** limit of insurance is in addition to and will not erode any other limits of this Policy. The **Key Employee Replacement Expenses Aggregate** limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

H. Defense Costs

Defense costs are either paid within or are in excess of the limits of insurance as set forth in paragraph C. of the section entitled **Defense Costs Payment and Related Duties**.

I. Exhaustion or Reduction of Applicable Underlying Limit

Solely with respect to **Coverage A - Excess Follow Form Liability**, if the applicable **underlying limits** are:

1. reduced solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) **Coverage A** will apply in excess of the remaining amount of such applicable **underlying limit**; or
2. exhausted, solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) then **Coverage A** will apply, subject to this Policy's limit of insurance provision and to the remaining terms and provisions and conditions of this Policy in place of such exhausted applicable **underlying limit**.

If any loss covered under any **underlying insurance** is subject to a **sub-limit** (whether or not such **sub-limit** erodes the limits generally available to all claims), then the **underlying limits** shall not be deemed depleted by payment of any such **sub-limits**.

Nothing herein shall serve to increase the limits of insurance shown in the Declarations of this Policy.

VI. CONDITIONS

A. Appeals

If the **Named Insured** or its **underlying insurers** elect not to appeal a judgment in excess of the limits of insurance afforded by the **underlying insurance** the Insurer may elect to appeal at the Insurer's expense. The Insurer's limits of insurance shall not be increased because of such appeal. However, the Insurer will pay the following costs and expenses:

1. all premium bonds to release attachments for an amount not in excess of the applicable limit of insurance of this policy;
2. all premiums on appeal bonds required in such defended **claims**, but without obligation to apply for or furnish such bonds;
3. court fees; and
4. costs and expenses taxed against the **Named Insured** by the appellate court and interest accruing after entry of a judgment against the **Named Insured** and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance of this Policy. Where the **underlying insurers** terminate their liability to pay interest on the judgment by an offer to pay their limits, the **Named Insured** shall demand that such limits be paid. If the appeal is successful, such amounts not obligated to be paid shall be returned to such **underlying insurer**.

B. Cancellation and Nonrenewal

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The Cancellation/Nonrenewal provisions are as set forth in the Cancellation/Nonrenewal Endorsement attached to this Policy.

C. Changes to the Policy

Notice to any of the Insurer's agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy, nor will such notice prevent the Insurer from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued by the Insurer to form a part of this Policy.

D. Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by the Insurer would have led to refusal by the Insurer to make this contract or provide coverage, or to make this contract or provide coverage on different terms or conditions, will be deemed material.

E. Duties of the First Named Insured on the Declarations of this Policy

The **First Named Insured**, on behalf of all others, will be:

1. authorized to make changes in the terms of this Policy with the consent of the Insurer;
2. the payee of any premiums the Insurer refunds;
3. responsible for:
 - a. remitting the payment of all premiums due, but all **Named Insureds** jointly and severally agree to make such payments in full if the **First Named Insured** fails to pay the amount due within 10 days after the Insurer give written notice or demand;
 - b. keeping records of the information the Insurer requires for premium computation, and sending copies of such records at such times as requested by the Insurer;
 - c. notifying the Insurer that the **First Named Insured** on behalf of all others wants to cancel this Policy; and
 - d. providing any notice required under this Policy.

F. Economic and Trade Sanctions

This Policy does not provide coverage for an **Insured**, transaction or that part of loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

G. Entire Contract

By acceptance of this Policy, the **Insureds** agree that this Policy, including all endorsements to this Policy, constitute the entire contract existing between the parties relating to this insurance.

H. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or spouse outside the scope of such person's capacity or status as such provided however that this sentence does not apply to the spouse of:

1. a sole proprietorship **Named Insured**; or

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2. members or partners of joint venture or partnership **Named Insureds**.

Examination of the Named Insured's Books and Records

The Insurer may examine and audit the **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

J. Financial Impairment

Bankruptcy, rehabilitation, receivership, liquidation or other financial impairment of the **Named Insured** or an **underlying insurer** shall neither relieve nor increase any of the Insurer's obligations under this Policy.

In the event there is diminished recovery or no recovery available to the **Named Insured** as a result of financial impairment of an **underlying insurer**, the coverage under this Policy shall apply only in excess of the **underlying limits**. Under no circumstances shall the Insurer be required to drop down and replace the **underlying limits**, or assume the obligations of the **Named Insured** or the financially impaired insurer.

K. Headings

The description in the headings and subheadings of this Policy is solely for convenience, and forms no part of the terms and conditions of coverage.

L. Inspections and Surveys

The Insurer has the right but is not obligated to:

1. make inspections and surveys at any time;
2. give the **Named Insured** reports on the conditions it finds;
3. recommend changes; or
4. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

1. make safety inspections;
2. undertake to perform the duty of any organization to provide for the health or safety of workers or the public; nor
3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

This provision applies not only to the Insurer, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, recommendations, reports, or gives loss control or prevention advice, on its behalf.

M. Legal Action Limitation

No person or organization has a right under this Policy:

1. to join the Insurer as a party or otherwise bring the Insurer into a **suit** asking for **damages** from an **Insured**; or
2. to sue Insurer on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an **Insured**; but the Insurer will not be liable for **damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An "agreed settlement" means a settlement and release of liability signed by the Insurer, the **Insured** and the claimant or the claimant's legal representative.

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N. Maintenance of Underlying Insurance

Solely with respect to **Coverage A - Excess Follow Form Liability**, while this Policy is in force the **First Named Insured** agrees that the **underlying insurance** and renewals and replacements thereof shall be maintained, without alterations of terms or conditions, in full effect during the term of this Policy; except for reduction or exhaustion of the limits of insurance in the **underlying insurance**, provided that such reduction or exhaustion is solely the result of **incidents** covered under this Policy.

If the **First Named Insured** fails to maintain **underlying insurance**, this condition shall not invalidate this Policy. However, in the event of such failure, the Insurer will only be liable to the same extent as if such **underlying insurance** was in full force and effect without alteration of its terms and conditions.

O. Notice of Claims/Crisis Management Event/Covered Accident

1. Solely with respect to **Coverage A - Excess Follow Form Liability**, if any **underlying insurance** is a policy issued by the Insurer or any of its affiliates, then notice of any **claim** under such **underlying insurance** is notice to the Insurer under this Policy.
2. It is a condition precedent to coverage under this Policy that:
 - a. subject to paragraph b. below, the **Insured** notify the Insurer as soon as practicable of an **incident** which an **Insured** believes may result in a **claim**. To the extent possible, notice should include:
 - i. how, when and where the **incident** took place;
 - ii. the names and addresses of any injured persons and witnesses; and
 - iii. the nature and location of any injury or damage arising out of the **incident**.
 - b. the **Insured** notify the Insurer as soon as practicable of an **incident** if it involves:
 - i. a demand against the **Insured** which exceeds 50% of any remaining applicable **underlying limit**;
 - ii. any **underlying insurance** reserve or monetary exposure exceeding \$500,000; or
 - iii. any of the following:
 - (a) brain damage, including but not limited to any neurological impairment of infants or adults and coma;
 - (b) spinal cord injury, including but not limited to paraplegia or quadriplegia;
 - (c) loss of any organ;
 - (d) severe disfigurement, including but not limited to burns and amputations; or
 - (e) death.
 - c. if a **claim** is made against any **Insured**, the **Named Insured**:
 - i. will immediately record the specifics of the **claim** and the date received and notify the Insurer of such **claim**;
 - ii. will immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
 - iii. will authorize the Insurer to obtain records and other information;
 - iv. will cooperate with the Insurer in the investigation or settlement of the **claim** or defense against the **suit**;

will assist the Insurer, upon its request, in the enforcement of any right against any person

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or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply; and

- vi. will not voluntarily make a payment, except at its own cost, assume any obligation, or incur any expense, other than for first aid, without the Insurer's prior consent.

3. Cooperation

With respect to both **Coverage A - Excess Follow Form Liability** and **Coverage B - Umbrella Liability**, the **Named Insured** will cooperate with the Insurer in addressing all claims required to be reported to the Insurer in accordance with this paragraph **O. Notice of Claims/Crisis Management Event/Covered Accident**, and refuse, except solely at its own cost, to voluntarily, without the Insurer's approval, make any payment, admit liability, assume any obligation or incur any expense related thereto.

P. Notices

Any notices required to be given by an **Insured** shall be submitted in writing to the Insurer at the address set forth in the Declarations of this Policy.

Q. Other Insurance

If the **Insured** is entitled to be indemnified or otherwise insured in whole or in part for any **damages or defense costs** by any valid and collectible **other insurance** for which the **Insured** otherwise would have been indemnified or otherwise insured in whole or in part by this Policy, the limits of insurance specified in the Declarations of this Policy shall apply in excess of, and shall not contribute to a **claim, incident** or such event covered by such **other insurance**.

With respect to **Coverage A - Excess Follow Form Liability** only, if:

- a. the **Named Insured** has agreed in writing in a contract or agreement with a person or entity that this insurance would be primary and would not seek contribution from any other insurance available;
- b. **Underlying Insurance** includes that person or entity as an additional insured; and
- c. **Underlying Insurance** provides coverage on a primary and noncontributory basis as respects that person or entity;

then this insurance is primary to and will not seek contribution from any insurance policy where that person or entity is a named insured.

R. Premium

All premium charges under this Policy will be computed according to the Insurer's rules and rating plans that apply at the inception of the current **policy period**. Premium charges may be paid to the Insurer or its authorized representative.

S. In Rem Actions

A quasi *in rem* action against any vessel owned or operated by or for a **Named Insured**, or chartered by or for a **Named Insured**, will be treated in the same manner as though the action were *in personam* against the **Named Insured**.

T. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Policy to the **First Named Insured**, this insurance applies:

- 1. as if each **Named Insured** were the only **Named Insured**; and
- 2. separately to each **Insured** against whom a **claim** is made.

U. Transfer of Interest

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Assignment of interest under this policy shall not bind the Insurer unless its consent is endorsed hereon.

V. Unintentional Omission

Based on Insurer's reliance on the **Named Insured's** representations as to existing hazards, if the **Named Insured** should unintentionally fail to disclose all such hazards at the effective date of this Policy, the Insurer will not deny coverage under this Policy because of such failure.

W. Waiver of Rights of Recovery

The Insurer waives any right of recovery it may have against any person or organization because of payments the Insurer makes under this Policy if the **Named Insured** has agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. is in effect or becomes effective during the **policy period**; and
2. was executed prior to loss.

VII. DEFINITIONS

For purposes of this Policy, words in bold face type, whether expressed in the singular or the plural, have the meaning set forth below.

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the **Named Insured's** goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- A. notices that are published include material placed on the Internet or on similar electronic means of communication; and
- B. regarding web-sites, only that part of a web-site that is about the **Named Insured's** goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.

Aircraft means any machine or device that is capable of atmospheric flight.

Arbitration proceeding means a formal alternative dispute resolution proceeding or administrative hearing to which an **Insured** is required to submit by statute or court rule or to which an **Insured** has submitted with the Insurer's consent.

Asbestos means the mineral in any form whether or not the asbestos was at any time airborne as a fiber, particle or dust, contained in or formed a part of a product, structure or other real or personal property, carried on clothing, inhaled or ingested, or transmitted by any other means.

Authorized Insured means any **executive officer**, member of the **Named Insured's** risk management or in-house general counsel's office, or any **employee** authorized by the **Named Insured** to give or receive notice of a **claim**.

Auto means:

- A. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- B. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, **auto** does not include **mobile equipment**.

Bodily injury means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the bodily injury, sickness or disease.

Claim means a:

- A. **suit**; or



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B. written or oral demand for **damages** alleging injury to which this insurance applies.

Coverage territory means:

- A. the United States of America (including its territories and possessions), Puerto Rico and Canada;
- B. international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph A. above; or
- C. all other parts of the world if the injury or damage arises out of:
 - 1. goods or products made or sold by the **Named Insured** in the territory described in paragraph A. above;
 - 2. the activities of a natural person whose home is in the territory described in paragraph A. above, but is away for a short time on the **Named Insured's** business; or
 - 3. an offense that take place through the Internet or similar electronic means of communication, provided that the **Insured's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in paragraph A. above or in a settlement the Insurer agrees to.

Covered accident means a sudden and unexpected event, which solely and independently of any other cause results in the **key employee's** death or **permanent disability** within one year after the date of the sudden event.

Crisis management event means an event that an **executive officer** reasonably believes has resulted or may result in significant adverse regional or national media coverage and a claim for:

- A. **bodily injury, property damage** or any of the following **personal and advertising injury** offenses:
 - 1. false arrest, detention or imprisonment;
 - 2. malicious prosecution or abuse of process; or
 - 3. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor; and
- B. **damages** to which this insurance applies, that are in excess of any applicable:
 - 1. **underlying limits**; or
 - 2. **retained amount**.

Crisis management expenses means **crisis management public relations expenses** and **crisis management other expenses** provided however **crisis management expenses** do not include any of the following:

- A. salary, wages, or benefits of the **Named Insured** or the **Named Insured's employees**;
- B. loss of business income;
- C. costs to acquire, repair or replace real or personal property; or
- D. expense to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by a **Named Insured**.

Crisis management public relations expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to hire a **crisis management firm**;
 - B. to set up call centers or similar inquiry management system to manage inquiries from, or to directly contact, individuals or entities that may be directly impacted by such **crisis management event**;
- to create and deliver notification letters to contact individuals or entities that may be directly impacted

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by the **crisis management event**; or

- D. other related miscellaneous expenses.

Crisis management other expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

- A. to pay medical expenses, funeral expenses, psychological counseling expenses, travel expenses, and temporary living expenses of a third party who incurs **bodily injury**, or a family member of such third party, by reason of such **crisis management event**;
- B. for travel expenses incurred by or on behalf of **Insureds** and at the direction of the **crisis management firm**;
- C. to secure the scene of a **crisis management event**; and
- D. other related miscellaneous expenses.

Crisis management firm means a public relations firm, law firm or crisis management firm approved by the Insurer to provide media management services and to respond to actual or anticipated adverse publicity arising out of a **crisis management event** or **covered accident**.

Damages means the amount an **Insured** is legally obligated to pay, either through:

- A. final adjudication of a **claim**; or
 - B. through compromise or settlement of a **claim** with the Insurer's written consent or direction,
- because of covered **incidents**. In addition, **damages** includes the above-mentioned sums only after deducting all other recoveries and salvages.

However, **damages** does not include:

- 1. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
- 2. injunctive or declaratory relief;
- 3. any amount that is not insurable under any applicable law; or
- 4. plaintiff's attorney fees associated with any of the above.

Notwithstanding paragraph 3. above, **damages** shall include (subject always to this Policy's other terms, conditions and limitations) punitive and exemplary damages the enforceability of which shall be governed by such applicable law that most favors coverage for **damages**.

Defense costs mean:

- A. reasonable and necessary fees, costs, and expenses incurred by the Insurer or consented to by the Insurer and incurred by the **Named Insured** in the defense or appeal of a covered **suit** or in the investigation of any covered **claim**, and includes premium for appeal bonds arising out of a covered judgment, attachment bonds or similar bonds, but only for bond amounts up to the applicable limit of insurance. In addition, the Insurer will pay up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which **bodily injury** coverage applies. The Insurer has no obligation to provide such bonds.
 - B. prejudgment interest awarded against an **Insured** on that part of a judgment covered by this policy. If the Insurer makes an offer to pay the applicable limit of insurance, the Insurer will not pay any prejudgment interest based on that period of time after the offer.
- post judgment interest which accrues after entry of judgment, but before the Insurer has paid or offered to pay, or deposited in court that part of the judgment which is within the limit of insurance of this Policy. The amount of interest the Insurer pays will be in direct proportion to the amount of **damages**
- C.



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the Insurer pays in relation to the total amount of the judgment.

- D. all reasonable expenses incurred by a natural person **Insured** at the Insurer's request to assist the Insurer in the investigation or defense of the **claim**. This includes such **Insured's** actual loss of earnings up to \$750 per day, because of time off from work.
- E. all court costs taxed against the **Insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.

Electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Employee includes **leased workers** or employees loaned to the **Insured**. **Temporary workers** are not **employees**.

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

- A. director, officer, trustee or governor of a corporation;
- B. management committee member of a joint venture;
- C. partner of a partnership;
- D. manager of a limited liability company; and
- E. trustee of a trust.

An **executive officer** is not an **employee**.

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations of this Policy.

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. However, **fungi** does not include any fungi intended by the **Insured** for human consumption.

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Impaired property means tangible property, other than **your product** or **your work** that cannot be used or is less useful because:

- A. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- B. the **Named Insured** has failed to fulfill the terms of a contract or agreement,

if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work**; or the **Named Insured's** fulfilling the terms of the contract or agreement.

Incident means:

- A. with respect to **Coverage A - Excess Follow Form Liability**, a covered event as defined in applicable **underlying insurance**;
- B. solely with respect to **Coverage B - Umbrella Liability**:
 - 1. with respect to **bodily injury** and **property damage**, **incident** means an **occurrence**; or
 - 2. with respect to **personal and advertising injury**, **incident** means an offense that gives rise to such **personal and advertising injury**.

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Insured means any person or organization set forth in the section entitled **WHO IS AN INSURED**.

Insured contract means:

- A. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner is not an **insured contract**;
- B. a sidetrack agreement;
- C. an easement or license agreement; except in connection with construction or demolition operations on or within 50 feet of a railroad;
- D. an obligation, as required by ordinance, to indemnify a municipality except in connection with work for a municipality;
- E. an elevator maintenance agreement; or
- F. the part of any other contract or agreement pertaining to its business (including an indemnification of a municipality in connection with work performed for a municipality) under which the **Named Insured** assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization, provided the **bodily injury** or **property damage** is caused, in whole or in part, by the **Named Insured** or by those acting on its behalf. However, such part of a contract or agreement shall only be considered an **insured contract** to the extent the **Named Insured's** assumption of the tort liability is permitted by law. "Tort liability" means liability that would be imposed by law in the absence of contracts or agreements. This paragraph F. does not include that part of a contract or agreement:
 - 1. that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - 2. that indemnifies an architect, engineer or surveyor for **bodily injury** or **property damage** arising out of:
 - a preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b giving directions or instructions, or failing to give them, if that is the primary cause of the **bodily injury** or **property damage**;
 - 3 under which an **Insured**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of such **Insured's** rendering or failure to render professional services, including those listed in paragraph 2. above and supervisory, inspection, architectural or engineering activities; or
 - 4. that indemnifies a person or organization for damage by fire to premises rented to or loaned to an **Insured**.

Key employee means any of the following officer and employment positions:

- A. Chief Executive Officer;
- B. Chief Operating Officer;
- C. Chief Financial Officer;
- D. Corporate Secretary;
- E. Treasurer;
- F. Executive Vice President; and

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Key employee also means anyone added as such by endorsement to the Policy.

Key employee replacement expenses means the actual and necessary expenses incurred by the **Named Insured**:

- A.** to continue the performance of the **key employee's** normal job responsibilities, with comparable quality, while a permanent replacement for the **key employee** is being sought, appointed or hired, and trained.
- B.** to find a qualified permanent replacement to fill the **key employee's** position:
 1. costs of advertising the employment position opening;
 2. travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 3. miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the job applicants and legal expenses incurred to draw up employment contracts.
- C.** to minimize the amount of **key employee replacement expenses**, but only to the extent the amount of **key employee replacement expenses** otherwise payable under paragraphs 1. and 2. above are reduced.
- D.** to relocate the replacement employee to an area within a reasonable commute from their place of employment.
- E.** to pay the following reasonable and necessary expenses incurred in connection with the death or permanent disability of any **key employee**:
 1. to hire a **crisis management firm**.
 2. to create and deliver notification letters to contact individuals or entities that may be directly impacted by the **key employee covered accident**; or
 3. other related miscellaneous expenses
- F.** **Key employee replacement expenses** also include first year amounts of the replacement employee's:
 1. annual base starting salary;
 2. employee perquisite costs; and
 3. employee benefit costs;

in excess of the amounts which would have been incurred for the **key employee** if the **Named Insured** had not lost the services of the **key employee**. However, the Insurer will not pay more for these expenses than 10% of the amounts which would have been incurred for the **key employee**.

Key employee replacement expenses do not include the following:

- a.** any expenses which would have been incurred by the **Named Insured** for the **key employee** if the **Named Insured** had not lost the services of the **key employee**;
- b.** any **key employee replacement expenses** that are paid for by any **other insurance**;
- c.** except as provided in paragraph **F.** above, salary, wages, or benefits of the **Named Insured**, the **Named Insured's employees**, the **Named Insured's temporary workers** or **volunteer workers**;
- d.** costs to acquire, repair or replace real or personal property;
- e.** the **Named Insured's** loss of business income;
- f.** expenses incurred by or on behalf of the **Named Insured** to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by the **Named Insured**; and

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- g. expenses incurred by or on behalf of the **Named Insured** due to **bodily injury, property damage, or personal and advertising injury**.

Leased worker means a person leased to the **Named Insured** by a labor leasing firm under an agreement between the **Named Insured** and such labor leasing firm, to perform duties related to the conduct of the **Named Insured's** business. **Leased worker** does not include a **temporary worker**.

Loading or unloading means the handling of property:

- A. after it is moved from the place where it is accepted for movement into or onto an **aircraft, watercraft or auto**;
- B. while it is in or on an **aircraft, watercraft or auto**; or
- C. while it is being moved from an **aircraft, watercraft or auto** to the place where it is finally delivered.

However, **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **aircraft, watercraft or auto**.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- A. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- B. vehicles maintained for use solely on or next to premises the **Named Insured** owns or rents;
- C. vehicles that travel on crawler treads;
- D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1. power cranes, shovels, loaders, diggers or drills; or
 - 2. road construction or resurfacing equipment such as graders, scrapers or rollers;
- E. vehicles not described in A., B., C. or D. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - 2. cherry pickers and similar devices used to raise or lower workers; and
- F. vehicles not described in A., B., C. or D. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - 1. equipment designed primarily for:
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing; or
 - c. street cleaning;
 - 2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - 3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, **mobile equipment** does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are

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considered **autos**.

Named Insured means the persons or organizations named as such in the Declarations of this Policy.

Nuclear facility means:

- A. any nuclear reactor;
- B. any equipment or device designed or used for:
 - 1. separating the isotopes of uranium or plutonium;
 - 2. processing or utilizing **spent fuel**; or
 - 3. handling, processing or packaging **nuclear waste**;
- C. any equipment or device used for the processing, fabricating or alloying of special **nuclear material** if at any time the total amount of such material in the custody of any **Insured** at the premises where such equipment is located consists of or contains more than:
 - 1. 25 grams of plutonium or uranium 233 or any combination thereof; or
 - 2. 250 grams of uranium 235; and
- D. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear material means source material, special nuclear material, or by-product material as these terms are defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear reactor means an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Waste means waste material:

- A. containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material (as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof) content; and
- B. resulting from the operation by any person or organization, of a **nuclear facility** included within paragraphs A. and B. of the definition of **nuclear facility**.

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Other insurance means any:

- A. valid and collectible policy of insurance;
- B. self insurance; or
- C. indemnity agreement by which an **Insured** arranges for funding or transferring its liabilities

that provides coverage that this Policy also provides. **Other insurance** does not include **underlying insurance** or any policy that was bought specifically to apply in excess of the limits of insurance shown in the Declarations of this Policy.

Other organic pathogens means any organic irritant or contaminant other than **fungi**, including but not limited to bacteria, microbes and viruses (whether or not a microorganism), that cause infection and disease.

Other organic pathogens includes any spores, mycotoxins, odors, variants, mutations, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of such

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CNA Paramount Excess and Umbrella Liability Policy

pathogens, and any colony or group of the foregoing.

However, **other organic pathogens** does not mean pathogens that were transmitted directly from person to person.

Permanent disability means permanent physical inability, or mental inability due to a permanent physical inability, of the **key employee** to perform the normal duties of the applicable position for which the individual qualifies as a **key employee**.

Personal and advertising injury means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution or abuse of process;
- C. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor;
- D. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E. oral or written publication, in any manner, of material that violates a person's right of privacy;
- F. the use of another's advertising idea in the **Named Insured's advertisement**; or
- G. infringing upon another's copyright, trade dress or slogan in the **Named Insured's advertisement**.

Policy period means the time from 12.01 A.M. on the effective date of this Policy as set forth in the Declarations of this Policy to the earlier of 12.01 A.M. of the expiration, termination or cancellation date of this Policy.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes medical waste and materials to be recycled, reconditioned or reclaimed.

Products-completed operations hazard means **bodily injury** or **property damage** occurring away from premises the **Named Insured** owns or rents and arising out of **your product** or **your work** except:

- A. products that are still in the **Named Insured's** physical possession; or
- B. work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - 1. when all of the work called for in the **Named Insured's** contract has been completed;
 - 2. when all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or
 - 3. when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

However, **products-completed operations hazard** does not include **bodily injury** or **property damage** arising out of:

- A. the transportation of property, unless **bodily injury** or **property damage** arises out of a condition in or on a vehicle not owned or operated by the **Named Insured**, and that condition was created by the **loading or unloading** of that vehicle by any **Insured**;
- B. the existence of tools, uninstalled equipment or abandoned or unused materials; or

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**CNA Paramount Excess and Umbrella Liability Policy**

- C. products or operations for which the **underlying insurer** states that products-completed operations are subject to the General Aggregate Limit.

Property damage means:

- A. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **incident** that caused it.

However, **electronic data** is not tangible property.

Retained amount means the self insured retention as set forth on the Declarations of this Policy or the amount payable by **other insurance**, whichever is greater.

Silica means the chemical compound silicon dioxide (SiO₂) in any form, including dust which contains silicon dioxide.

Spouse means any husband, wife or partner in a marriage or civil union or any person qualifying as a domestic partner under any federal, state or local laws or under the **Named Insured's** employee benefit plans or employee benefits program.

Sub limit means a limit that is lower than the **underlying limits**.

Suit means a civil proceeding in which **damages** because of injury or damage to which this insurance applies are alleged, including:

- A. an **arbitration proceeding** alleging such **damages**; or
- B. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with the Insurer's consent.

Temporary worker means a worker who is furnished to the **Named Insured** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Underlying insurance means policies of insurance listed in the Schedule of **Underlying Insurance** including renewal or replacement of such insurance which is neither more restrictive nor more broad than that listed in the aforementioned Schedule of **Underlying Insurance**.

Underlying insurer means the insurer providing the **underlying insurance**. It does not include any insurer whose policies were purchased specifically to be in excess of this policy.

Underlying limits means the limits of insurance as set forth in the Schedule of **Underlying Insurance**.

Volunteer worker means a person who is not an **employee** and who donates his or her work and acts at the direction of or within the scope of duties determined by the **Named Insured** and is not paid a fee, salary or other compensation by the **Named Insured** or anyone else for their work performed for the **Insured**.

Your product means:**A. means:**

1. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. the **Named Insured**;
 - b. others trading under the **Named Insured's** name; or
 - c. a person or organization whose business or assets the **Named Insured** has acquired; and
2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

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Policy**

B. includes:

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
2. The providing of or failure to provide warnings or instructions.

C. does not include vending machines or other property rented to or located for the use of others but not sold.

Your work:

A. means:

1. work or operations performed by the **Named Insured** or on its behalf; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. Includes:

1. warranties or representations made with respect to the fitness, quality, durability, performance or use of **your work**, and
2. the providing of or failure to provide warnings or instructions.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by the Insurer's Chairman and Secretary, but this Policy shall not be binding upon the Insurer unless completed by the attachment of the Declarations of this Policy and signed by the Insurer's duly authorized representative if required.

Chairman of the Board

Secretary

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW JERSEY

Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insureds" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL

I. CANCELLATION

- A. The first Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
- B. The Insurer may cancel the policy at any time and for any reason within the first sixty (60) days. The Insurer will mail or deliver written notice of cancellation at least ten (10) days prior to the effective of such cancellation if cancellation is for nonpayment or existence of a moral hazard as defined by NJAC 11:1-20.2(f) and thirty (30) days if for any other reason.
- C. If the policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:
 1. May be canceled for any underwriting reason set forth in our underwriting guidelines which were in effect at the policy inception. The underwriting guidelines must not be arbitrary, capricious or unfairly discriminatory.
 2. The following text sets forth certain approved reasons for midterm cancellations as approved guidelines. While an Insurer may issue other guidelines, it appears that an Insurer should limit its guidelines for midterm cancellation to those the Department has approved to avoid the possibility that the Department might rescind a cancellation.
 3. All underwriting reasons or guidelines utilized by the Insurer to cancel or non-renew the policy will be maintained by Insurer in writing and will be available to the Named insured or the Named Insured's lawful representatives upon written request.
 4. Only those guidelines which are in effect at the inception of the original policy or any renewal thereof, as applicable, may be utilized to cancel during the policy period.
 5. The following guidelines are approved for use:
 - a. Non-payment of premium;
 - b. Moral hazard, which is defined as:
 - i. The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a "moral hazard;" and
 - ii. The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability which we will be held responsible. Any change in the character or circumstances of an individual, corporate,

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement Expiration Date:

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

partnership or other insured that will increase probability of such a loss or liability may be considered a "moral hazard."

- c. Material misrepresentation or non-disclosure of material fact.
- d. Increased hazard or material change in the risk by the parties at inception of coverage.
- e. Substantial breaches of policy provisions that materially affect the nature and/or insurability of the risk.
- f. Lack of cooperation on loss control matters which materially affect insurability.
- g. Fraudulent acts which materially affects the risk.
- h. Loss of or reduction in available insurance capacity. This is an acceptable reason for cancellation only if the following exists:
 - i. an insurance department has declared insured to be financially impaired.
 - ii. substantial reductions in reinsurance or other changes which prohibit us from providing coverage at the same limits and terms as the existing policy; or
 - iii. an insurance department has issued an order indicating impaired financial condition of the reinsurer which may adversely affect the reinsurer's ability to meet its obligations.
- i. Failure of the Insured to comply with any federal, state or local fire, health, safety, building or construction regulation, law or ordinance which substantially increases any hazard insured against. The Insured has sixty (60) days to correct.
- j. Failure by the Insured to provide reasonable and necessary underwriting information to us upon written request and a reasonable time to respond.
- k. Agency termination, provided:
 - i. It is documented that replacement coverage at comparable rates and terms has been provided to the Insured, and the Insured has been informed, in writing of his or her right to continue coverage; or
 - ii. the Insured has agreed in writing to the cancellation based upon the termination of the agent.

The Insurer will mail notice of cancellation to the Named Insured not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, notice of cancellation will be mailed at least ten (10) days prior to the effective date of such cancellation.

- D. All notices of cancellation will state the reason for cancellation.
- E. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

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Endorsement Effective Date:

Endorsement Expiration Date:

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement****III. NON-RENEWAL**

- A.** The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured, at the last mailing address known to the Insurer, not more than one hundred and twenty (120) days nor less than sixty (60) days prior to the effective date of non-renewal. The notice will be sent by certified mail or by first class mail, if a date stamped proof of mailing has been obtained from the post office.
- B.** Like notice of non-renewal will state the actual reason for non-renewal.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA62814NJ (09-2012)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 1; Page: 3 of 3

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY**, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY**, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

is amended by the addition of the following new exclusion:

Professional Services

any liability arising out of the actual or alleged rendering of, or failure to render, any professional services by the **Insured** or any other person for whose acts the **Insured** is legally responsible.

- II. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY**, then the section entitled **EXCLUSIONS** is amended by the addition of the exclusion set forth in paragraph **I.** above, except that the bolded word **"Insured"** is deleted in its entirety and replaced with **"insured."**

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75518XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 2; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**
CHANGES - NOTICE OF CANCELLATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY


PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

- I. In the event of cancellation of this coverage during the **policy period** for a reason other than nonpayment of premium, the Insurer agrees to mail prior written notice of cancellation to:

SCHEDULE

| Name | Address | Number of Days Advanced Notice |
|---|---------|-----------------------------------|
|  | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |

Form No: CNA75525XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 3; Page: 1 of 2



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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**
SCHEDULE

| Name | Address | Number of Days Advanced Notice |
|--|---------|-----------------------------------|
|  | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
| | | 30 |
|  | | 30 |

II. If this Endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the bolded term "policy period" is deleted in its entirety and replaced with the term "policy period".

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75525XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 3; Page: 2 of 2

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement****EMPLOYER'S LIABILITY EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that the section entitled **EXCLUSIONS** is amended as follows:

- A.** The subsection entitled **Coverage B – Umbrella Liability Coverage Exclusions**, the exclusion entitled **Employee Injury** is deleted in its entirety; and
- B.** The subsection entitled **Coverage A Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions** is amended by the addition of the following new exclusion:

Employee Injury

any actual or alleged **bodily injury or personal and advertising injury** to:

- a.** an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or
- b.** the **spouse**, child, parent, brother or sister of that **employee** as a consequence of **a.** above.

This exclusion applies:

- i.** whether an **Insured** may be liable as an employer or in any other capacity; and
- ii.** to any obligation to share damages with or repay someone else who must pay damages because of the injury.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA75576XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 4; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement****UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed as follows:

If this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage B – Umbrella Liability Coverage Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**,

it is amended with the addition of the following new exclusion:

Underlying Insurance Coverage Limitation

Notwithstanding anything to the contrary, this policy does not provide broader coverage than that which is provided by any **underlying insurance**.

In the event of any difference between:

- a. exclusions, restrictions, limiting terms or conditions in this policy and
 - b. exclusions, restrictions, limiting terms or conditions in the **underlying insurance**;
- addressing the same general risk or hazard, then the more restrictive provision shall apply.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76492XX (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 5; Page: 1 of 1

Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

COVERAGE FOR LIABILITY FOR HAZARDS OF LEAD ENDORSEMENT - NEW JERSEY

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

- A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability Exclusions** and the section entitled **Coverage B – Umbrella Liability Exclusions**; or
- B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**;

the exclusion entitled **Pollution** is amended by the addition of the following:

For premises constructed on or after 1978, or premises constructed prior to 1978 which have been certified, prior to the **policy period**, as being free of existing lead hazards pursuant to standards established by the Department of Community Affairs, this exclusion does not apply to **bodily injury** arising out of lead contamination, or out of the inhalation, ingestion, use, handling or contact with lead paint at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**.

This provision will also apply to any premises constructed prior to 1978 which receives such certification during the **policy period**, but only for **bodily injury** which occurs after such certification.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA76597NJ (03-2015)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 6; Page: 1 of 1

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CNA Paramount Excess and Umbrella Liability Policy Endorsement

AMENDMENT TO NAMED INSURED

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

It is understood and agreed that:

1. The section entitled WHO IS AN INSURED is amended as follows:

a. Paragraph A. is deleted and replaced by the following:

A. With respect to Coverage A – Excess Follow Form Liability:

(1) Any person or organization that is a Named Insured under the provisions of **underlying insurance** shall be considered a **Named Insured** under Coverage A Excess Follow Form Liability;

(2) Any person or organization included as an insured under the provisions of **underlying insurance** is an **Insured** under Coverage A – Excess Follow Form Liability;

but only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

a. Paragraph B. is amended to add the following as **Named Insureds** under Coverage B – Umbrella Liability:

Entities that are named insureds under the provisions of **underlying insurance**, but only while a **Named Insured** has management control over the entity during the **policy period**, subject to the following:

(1) the coverage provided by this insurance to such an entity does not apply to:

(a) **bodily injury or property damage** that occurred; or

(b) **personal and advertising injury** caused by an **incident** first committed;

before a **Named Insured** has management control or after a **Named Insured** ceases to have management control; and

(1) no person or organization is a **Named Insured**:

(a) with respect to the conduct of any current, past or newly formed partnership, limited liability company or joint venture that is not covered by this endorsement as a **Named Insured**; or

(b) if the person or organization is excluded by another endorsement attached to this policy.

For the purpose of this provision, management control means a **Named Insured**:

- has more than 50% ownership interest in the entity, directly or indirectly; or
- exercises management or financial control over the entity.

a. Paragraph C. is deleted and replaced by the following:

C. With respect to Coverage C – Crisis Event Management and Coverage D – Key Employee, any entity that qualifies as a **Named Insured** under Coverage A or Coverage B also qualifies as a **Named Insured** under Coverage C and Coverage D.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

Endorsement No: 7; Page: 1 of 2

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**CNA Paramount Excess and Umbrella Liability
Policy Endorsement**

2. The section entitled **DEFINITIONS** is amended to delete the definition of **Named Insured** and replace it with the following:

Named Insured means the persons or organizations named as such in the Declarations, and any other organization qualifying as a **Named Insured** in the Section entitled WHO IS AN INSURED.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: CNA88301XX (08-2017)

Endorsement Effective Date:

Endorsement Expiration Date:

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Underwriting Company: The Continental Insurance Company, 151 N Franklin St, Chicago, IL 60606

Policy No: CUE 6056872810

Policy Effective Date: 12/23/2023

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